



vesteda

**annual report
2020**

Disclaimer References in this Annual Report to 'Vesteda', 'we', 'the company' or similar terms mean Vesteda as defined in the section Legal structure of this report. This Annual Report contains forward-looking statements. Those statements may - without qualification - contain expectations on future realised and unrealised results, yields, distributions, government measures, the effect of other regulatory measures on Vesteda's activities, the partnership contributions in Vesteda, subsidiaries and joint ventures, macro-economic trends and Vesteda's performance in them. Such comments are preceded or followed by or contain terms such as 'believe', 'expect', 'forecast', 'of the opinion', 'anticipate' or similar terms. These forward-looking statements are based on current assumptions about future activities and are subject to known and unknown factors and other uncertainties, many of which are beyond Vesteda's control, and so actual results in the future may differ materially from these expectations.

The image shows the Vesteda logo, which consists of the word "vesteda" in a lowercase, white, sans-serif font. The logo is positioned on the left side of the page, with a large, thin white arc on the right side that curves around the text. The background is a solid orange color.

vesteda

annual report
2020

At home with Vesteda

Our mission is to make sure that all our stakeholders feel at home with us, especially our tenants, our investors in the fund and our employees.



Table of contents

Foreword by the Management Board	5
Vesteda at a glance	7
About Vesteda	7
Portfolio overview	8
Key figures	9
Management Report	13
Strategy and long-term objectives	13
Market developments	15
Tenants	16
Portfolio	21
Participants	28
Organisation and staff	30
Funding	34
Notes to the results	37
Outlook and management agenda	40
Report of the Supervisory Committee	47
Corporate Sustainability and Social Responsibility	55
Governance and risk management	67
About this report	79
Assurance report of the independent auditor	83
Vesteda Residential Fund FGR financial statements 2020	86
Consolidated financial statements	87
Company financial statements	124
Independent auditor's report	133
Vesteda Residential Fund FGR financial overviews in accordance with INREV valuations principles	138
Independent auditor's report	149
Annexes	151
Annex 1: Key figures 2011-2020	152
Annex 2: Members of the Management Board and Management Team	154
Annex 3: Members of the Supervisory Committee	156
Annex 4: GRI Content Index for 'In accordance' - Core	158
Annex 5: Composition of the investment portfolio	162
Annex 6: External appraisers	173
Annex 7: Definitions	174

Foreword by the Management Board

Dear stakeholders,

It is our pleasure to present you with our annual report for 2020. In this report, we account for our financial and non-financial performance in 2020 and we report on how we intend to realise our ambitions for the future. We would also like to share our vision of the Dutch housing market and the role we want to play as an active and socially-engaged residential real estate investor. But let us first start with the COVID-19 pandemic, which affected most of our stakeholders in 2020.

COVID-19 pandemic

In 2020, the outbreak of the COVID-19 virus resulted in a global crisis and governments across the world taking various extreme measures, such as (partial) lockdowns of cities and countries. In the Netherlands, the first COVID-19 case was reported on 27 February 2020, after which the government announced measures to prevent the further spread of the virus, eventually resulting in a partial lockdown on 23 March. As in other countries, these measures slowed down the spread of the virus and from mid-May onwards the government gradually eased restrictions.

After the summer, we saw the start of a second wave of infections, resulting in a sharp increase in the number of new cases. The Dutch government imposed new restrictions, starting from 18 September 2020 onwards. This resulted in a partial lockdown in October and additional restrictions followed as of 15 December 2020. People were advised to work from home, schools were closed and only essential shops remained open. Sadly, these measures failed to reduce the number of infections sufficiently and on 23 January 2021, the government introduced a night-time curfew, which is currently imposed for the period through to 30 March 2021.

Vesteda also took several actions aimed at containing the spread of the virus. We asked our staff to work from home as much as possible, we took additional hygiene measures at the offices, and we restricted travel and face-to-face meetings. We also quickly changed our protocol for viewings and home inspections, from 100% physical to 100% digital within just a few days' time. Working from home experiences were not merely negative. We will work out a system to facilitate this also in the future and therewith make Vesteda more resilient for whatever external events.

The good news is that the first vaccines have been approved by the EMA (European Medicines Agency). The Dutch government started its vaccination programme on 6 January 2021, which was relatively late compared with the rest of Europe. The government is planning to vaccinate all priority groups before the summer. The lockdown, night-time curfew and the start of the vaccination programme in January had the desired effect and the number of new cases began to decline. As per 8 February 2021, the government lifted a number of restrictions and schools and some non-essential shops reopened under strict conditions. As per 15 March 2021, the total number of deaths in the Netherlands due to COVID-19 officially stood at 16,087 (931 per million inhabitants).

The Dutch government has launched an extensive economic rescue package to save as many jobs, incomes and companies as possible. We believe it is our social responsibility to help our tenants during this crisis. Together with the Ministry of the Interior and Kingdom Relations and the IVBN (Association of institutional property investors in the Netherlands), we agreed that we would not evict tenants during the crisis, not charge them collection costs, and extend temporary leases. We offer custom-made solutions to all our tenants in immediate financial difficulties, providing flexibility in terms of payment arrangements. Since the implementation of these measures, the number of payment arrangements we have reached with tenants remained stable and represent approximately 1% of total. In addition to this, we followed the advice of the IVBN and moderated our annual rent increase.

Our business operations and processes continue to run well and we can deliver all our services to our tenants, mostly via digital channels. The effects of the COVID-19 pandemic did impact our financial results, largely due to significantly lower revaluations than expected earlier in the year. The impact on our rental levels has been limited to date, but we are experiencing higher vacancy rates in the higher rental segment, especially in Amsterdam, and higher frictional vacancies. Our financing structure and liquidity position give us the necessary buffers to withstand this crisis.

However, the exact impact will very much depend on the duration of this crisis and the Dutch government's financial support to secure the income of Dutch citizens, including our tenants.

New housing regulations

While housing shortages and house prices continued to rise, the need for more affordable housing increased and both national and local authorities are looking for measures to solve this problem. This has led to some debate between the Dutch Senate and the House of Representatives and eventually resulted in new regulations for the Dutch housing market as per 1 January 2021. First-time home buyers are now exempt from transfer tax, while the transfer tax rate for investors was increased to 8% from 2%. In addition, the government has announced to freeze the rents for the regulated segment and is planning to cap the annual rent increase for the liberalised segment to a maximum of CPI plus 1%. And finally, the government is also launching initiatives to stimulate the construction of new homes.

Residential real estate market

Vesteda's HMI (Housing Market Indicator) declined to 6.2 in Q3 2020, from 7.4 in Q4 2019, after which it recovered slightly to 6.7 in Q4 2020. Market conditions got tougher in the course of the year. GDP declined, unemployment increased and consumer confidence was low. However, the HMI improvement in Q4 2020 also shows early signs of a possible recovery. This was mainly driven by improved GDP growth, less negative consumer confidence and an improved GRESB score of Dutch residential non-listed real estate. The housing shortage continues to increase and house prices are still rising. Although the exact implications of the COVID-19 pandemic for the housing market are not yet clear, strong demand still seems to be providing a solid price foundation for mid-segment rental homes.

Operational highlights

Overall tenant satisfaction improved to 7.1 in 2020 from 6.9 in 2019, outperforming the benchmark (7.0). The construction of pipeline projects continued during the pandemic, mostly as planned. We are keeping to our hard commitments or approved investment proposals, but we are very selective regarding new opportunities. We signed turnkey building contracts for 486 residential units and we sold 234 units. Our sustainability efforts resulted in an increased share of green energy labels to 91.1% at year-end 2020 (YE 2019: 87.8%). We completed the insourcing of the former Delta Lloyd portfolio and we successfully implemented our new ERP system, including the launch of a new website, rental portal and tenant portal. We did experience some issues after the launch, but we managed to resolve most of them in the second half of the year. We continue to develop and make refinements to the ERP system, to improve our processes and efficiency.

Financial performance

Total comprehensive income amounted to €467 million in 2020, 45% lower than in 2019, primarily due to lower revaluations. We recorded a total return of 7.6%, consisting of a 3.1% realised return and a 4.5% unrealised return.

Outlook

We expect that housing shortages will continue and that the demand for mid-rental homes will stay strong. However, we do expect higher vacancies in the higher rental segment and in some commercial spaces, especially in Amsterdam, which will most likely recover when expats return and commercial restrictions are terminated. We will continue our strategy and we will take additional action if needed. We also expect the increased transfer tax rate to have a negative impact on the value development of our portfolio, although it is still difficult to predict the exact impact given the lack of evidence of transactions under this new tax regime. Our solid financial foundation, together with our flexible organisation, put us in a solid position to deal with this crisis and emerge in good shape.

Looking back on 2020, it was a challenging year and we are proud of what we achieved. We would like to express our gratitude to all our employees for their flexibility, dedication and hard work during these extraordinary and sometimes challenging circumstances at home. And we thank our participants for their continued commitment and support.

Vesteda Management Board

Gertjan van der Baan (CEO) and Frits Vervoort (CFO)

Vesteda at a glance

About Vesteda

Leading institutional residential investor

Vesteda is a service-oriented institutional residential investor with a large and varied portfolio of homes in attractive neighbourhoods in the Netherlands. With a portfolio of 27,482 residential units, we are the largest Dutch independent institutional residential investor. Vesteda is internally managed, is cost-efficient and has in-house property management.

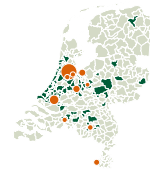
Key characteristics



Dutch residential rental market



Mid-rental sector



Primary regions

Fund

- Established in 1998 as Vesteda Woningen (Vesteda Residential Fund) as a spin-off of the residential portfolio of Dutch pension fund ABP.
- Single fund manager.
- Internally managed: no management fee structures and carried interest arrangements.
- Open-ended core residential real estate fund.
- Broad institutional investor base with a long-term horizon.
- Attractive risk profile.
- Limited use of leverage (target <30%); S&P credit rating BBB+.
- Active investor relations policy.
- In-house property management since 2003.
- Governance in accordance with best practice guidelines, including INREV, with the emphasis on transparency and alignment of interests.
- AIFMD (Alternative Investment Fund Managers Directive) licence obtained in 2014.
- Transparent for tax purposes (fund for the joint account of participants - Dutch FGR fund structure).
- GRESB five-star rating (the highest) and ranks third in a peer group of nine.

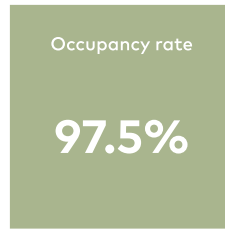
Assets

- Well-diversified portfolio consisting of nearly 500 residential complexes in economically strong regions.
- All in the Netherlands, all in residential and related properties.
- Focus on the mid-rental segment with monthly rents between €752 and €1,200.
- Vesteda offers sustainable housing and operates in a socially responsible manner.

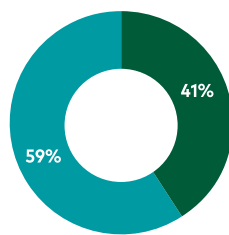
Targets

- Tenant satisfaction: Outperform the Customeyes benchmark.
- ESG performance: 99% green energy labels (A, B or C) by 2024.
- Financial performance: Outperform the three-year MSCI IPD Netherlands Residential Benchmark.

Portfolio overview

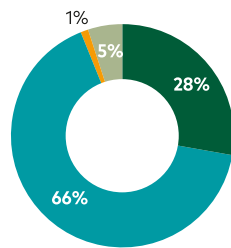


Portfolio by type of residential unit (weight in value)



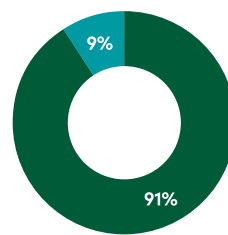
■ Single-family
■ Multi-family

Portfolio by rental segment (weight in value)



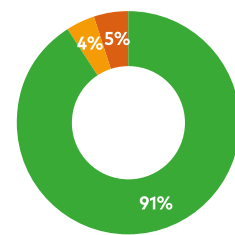
■ High
■ Mid
■ Regulated mid
■ Regulated

Portfolio by region (weight in value)



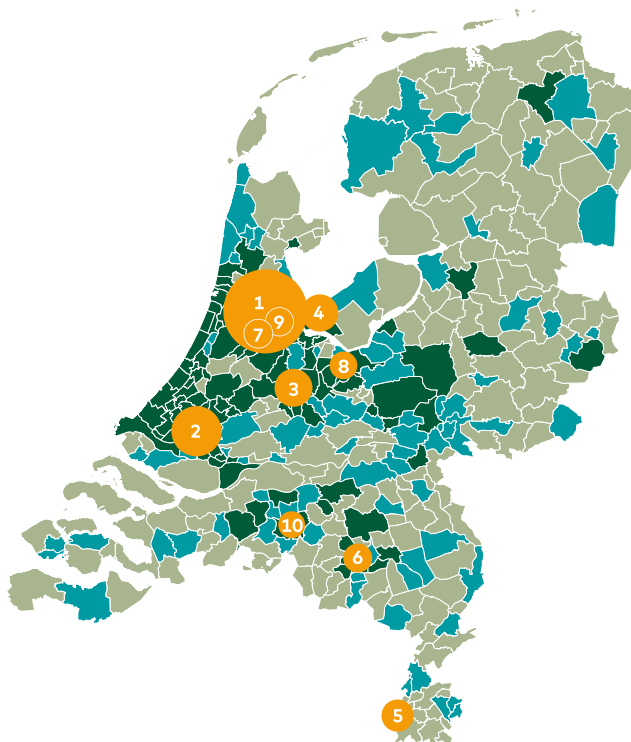
■ Primary
■ Secondary

Portfolio by energy label (weight in units)



■ ABC
■ D
■ EFG

Portfolio distribution (value at year-end 2020)

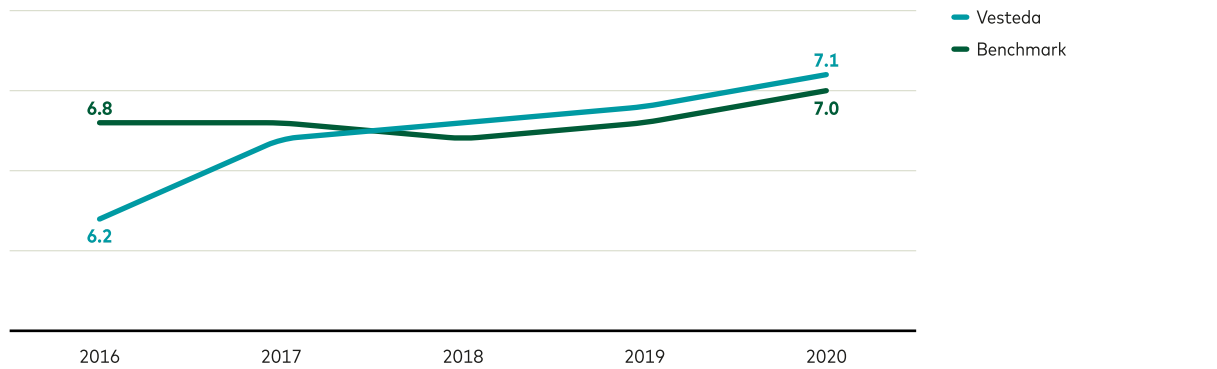


	€ million	% of total portfolio
1. Amsterdam	1,814	23%
2. Rotterdam	647	8%
3. Utrecht	370	5%
4. Almere	354	4%
5. Maastricht	266	3%
6. Eindhoven	215	3%
7. Amstelveen	202	3%
8. Amersfoort	197	2%
9. Diemen	196	2%
10. Tilburg	185	2%

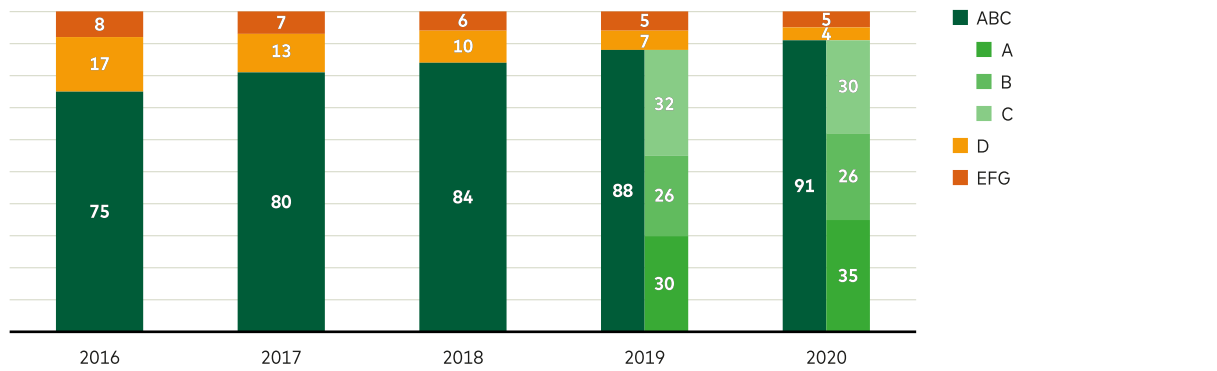
■ Primary
■ Secondary
■ Other
● Top 10 region by portfolio value

Key figures

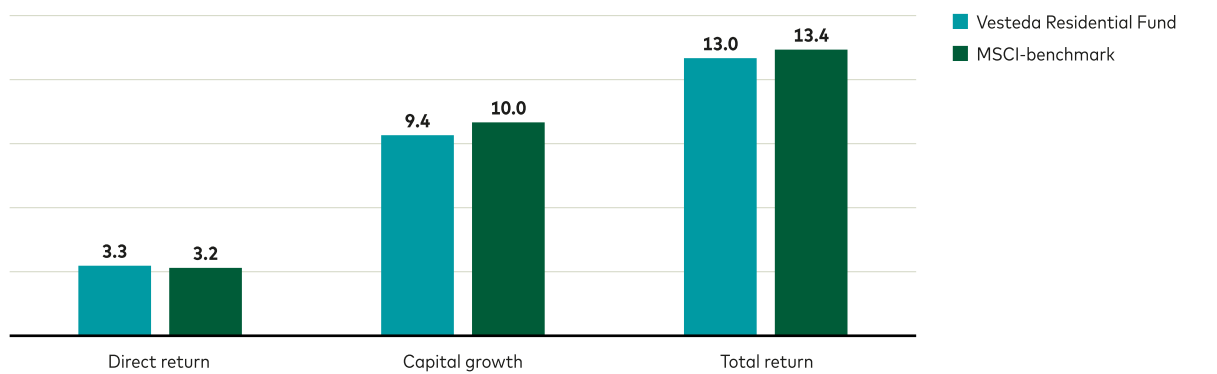
Tenant satisfaction (score out of 10)



Energy labels (%)

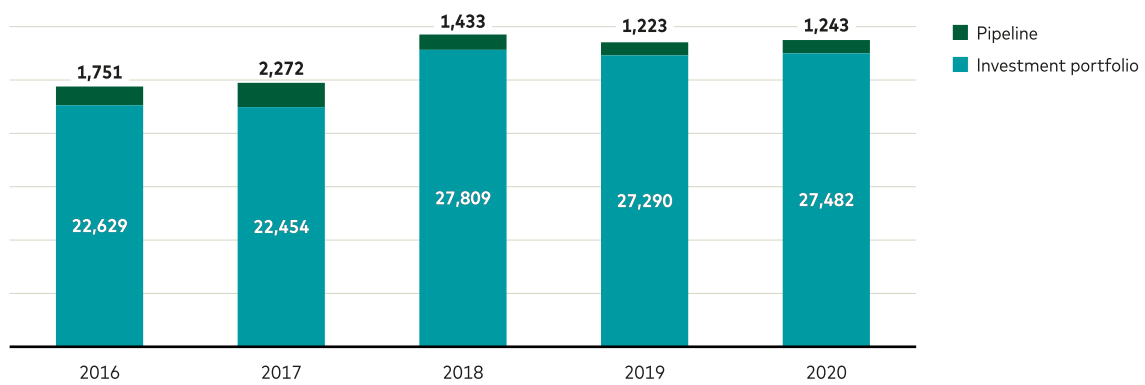


Performance Vesteda vs MSCI (% , three-year average)

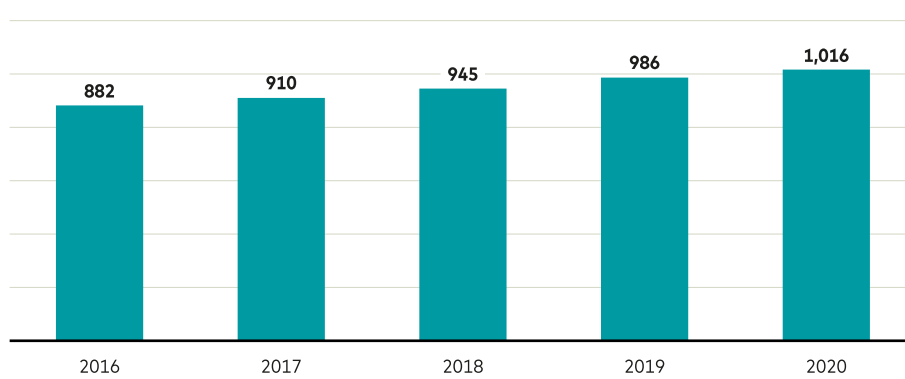


Note: Direct return and capital growth might not add up to total return as a result of time weighted averages on a monthly basis.

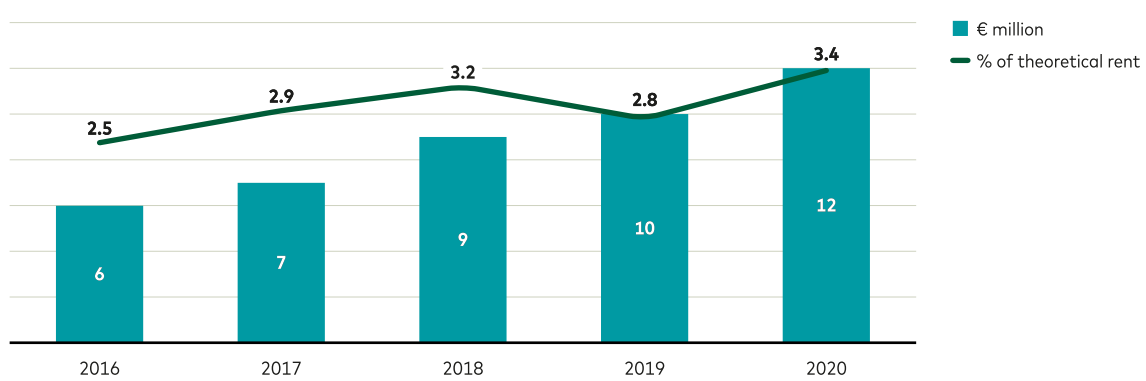
Investment portfolio and pipeline (number of units, at year-end)



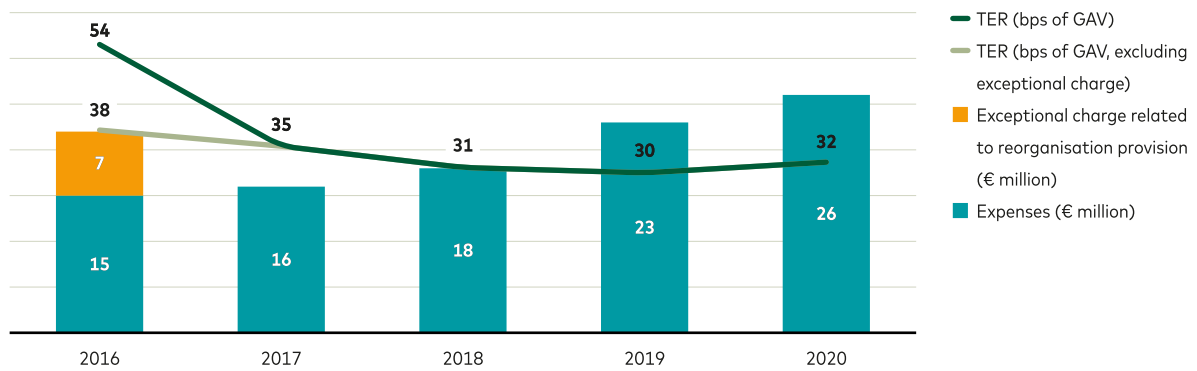
Average monthly rent (€ per residential unit, at year-end)



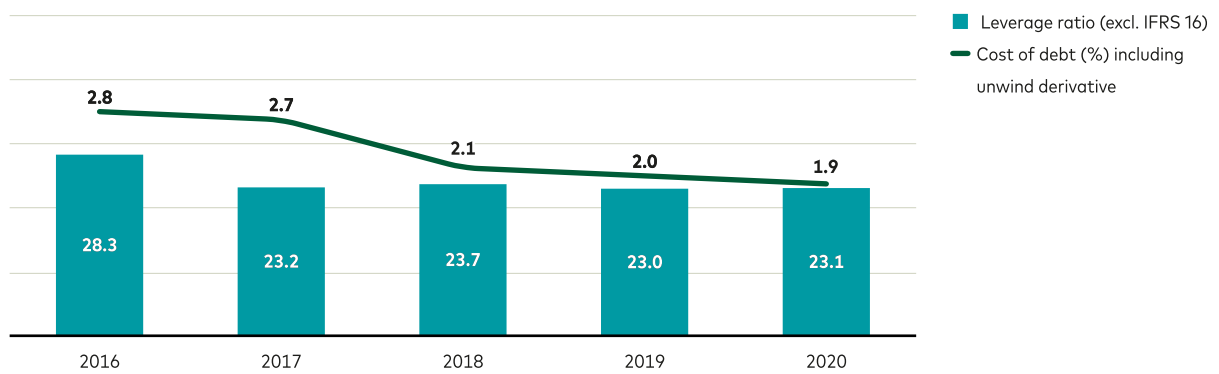
Loss of rent



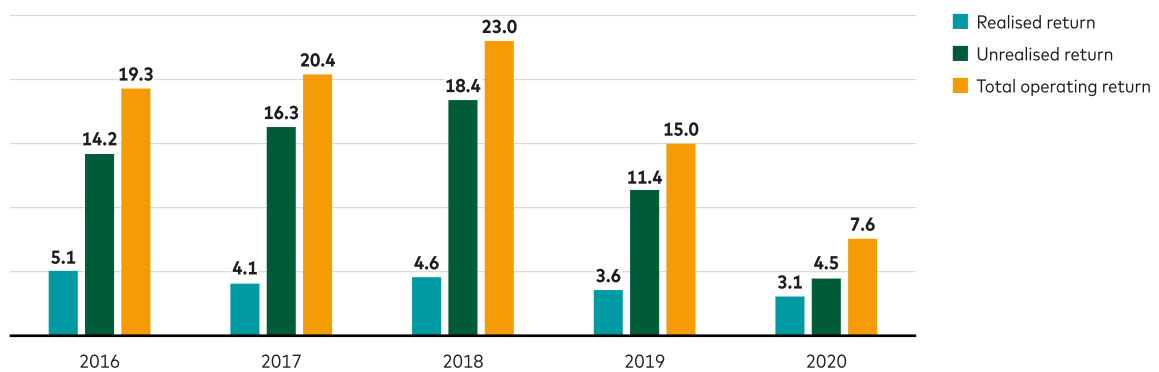
Management expenses



Leverage and cost of debt



Total operating return (% of time weighted average equity)



'Especially these days, it is extremely helpful if you feel happy about your home'



Rediscovering your 'home'

Staying at home for months at a time is no fun for anyone. Not in any situation and not at any age. But COVID-19 has also taught us a lot. You start to see and experience everything differently. Your home, your environment, your work, your family. Even going to the shops is no longer routine. You could get annoyed by it all, but you can also choose to deal with it differently.

Our house and this neighbourhood have helped a lot. We always thought it was a nice house and

a pleasant neighbourhood, but we've started to appreciate it all even more because of COVID-19. The space inside, with separate rooms for the kids, the large garden, the play areas outside and the schools and the sports fields more or less within walking distance. It's a neighbourhood where people tend to know each other. That doesn't just make it pleasant, it also makes it safe. We like to go on holiday, but we also always really enjoy coming home. We're certainly not thinking about moving any time soon. Maybe when the kids have left home. And who knows, we might well rent from Vesteda again.

Management Report

Strategy and long-term objectives

Vesteda has defined a clear vision framework, consisting of a purpose, mission, vision and core values.

Our purpose

Vesteda invests the pension savings and insurance premiums entrusted to it by institutional investors, such as pension funds and insurance companies, in sustainable Dutch residential real estate for middle-income tenants. As such, we contribute to future income security for retirees, affordable living for Dutch middle-income households and to the continued improvement of the quality of urban communities.

Our mission

At home with Vesteda. This applies to our tenants, the investors who invest in our fund and the employees who work at our company. Our mission is to make sure our key stakeholders feel at home with Vesteda. And we want to be the best landlord and residential fund in the Netherlands by outperforming on tenant satisfaction, sustainability and stable financial performance.

Our vision

Vesteda is the expert in residential living. We have direct contact with our tenants. This is why we know their current and future living requirements better than anyone. We use our knowledge to constantly improve our services and our existing residential portfolio. We also add residential complexes that are tailored to the living requirements of our tenants now and in the future and we do so in a sustainable and innovative manner. Together with our tenants, we create an environment in which they feel at home.

Our core values



At Vesteda, our tenants, investors and employees are our highest priority. This requires service-oriented and entrepreneurial employees. We listen and learn and look for the best solutions. We see and seize opportunities and accept our responsibility. Vesteda is ambitious. We make the most of everything. And do better every time and with total conviction. We trust our people and give them a great deal of freedom and responsibility. We cooperate with each other across various disciplines and come from a wide variety of backgrounds.

Our strategic ambitions

Vesteda has translated its mission and vision into strategic and portfolio objectives.

Vesteda vision framework



Based on our vision framework and developments in society and the housing market, we have formulated our strategic ambitions for the coming years. Our strategic ambitions include:

Tenants: "Provide middle-income tenants with good-quality, sustainable and affordable housing in urban areas. We want them to rate us as the best landlord in the Netherlands".

Our tenants should feel at home with Vesteda. We are convinced that satisfied tenants are less likely to move and more likely to contribute to the well-being of other tenants, which in turn enhances social cohesion among our tenants and the long-term performance of our assets. Our in-house property management enables us to respond more quickly than our competitors to the future housing needs of current and future tenants. In short: we add value for our tenants.

Adding value goes beyond the physical home itself. The total customer experience encompasses the quality of the surroundings, the sustainability of the home, renting from a socially responsible company, effortless customer service, flexibility in the choice of services that fit personal needs, access to community living, transparency, and easy and fast communications.

Portfolio: "Improve the quality and sustainability of our portfolio, offer value-for-money homes to our tenants, ensuring satisfied tenants, stable rental income growth and MSCI outperformance".

Our focus on improving the quality and structure of Vesteda's portfolio is the basis for keeping our tenants satisfied, long-term outperformance and stable rental income growth. Our goal is a mid-market rental portfolio located in Vesteda's chosen core regions that consists of sustainable and future-proof properties; attractive, well-designed houses, tailored to specific target groups but flexible in terms of future use. Currently, we have a well-diversified portfolio with housing solutions for middle and higher-income households. Our goal is to improve our portfolio by investing in our existing portfolio and by acquiring mid-market product to increase the share of affordable homes in our portfolio.

Participants: "Provide long-term investors with an attractive risk-return profile in a pure-play Dutch core residential property fund".

Vesteda strives to provide its participants with attractive returns, transparency and high levels of service. Participant satisfaction is one of our key performance indicators. It is objectively measured and includes financial performance, transparency and our strategy. We seek to continuously improve the dialogue with all our participants, and invest in establishing relationships with potential new participants.

Organisation & staff: "Being a service-oriented organisation, supported by smart technology. Operated at attractive cost levels and regarded as an employer of choice".

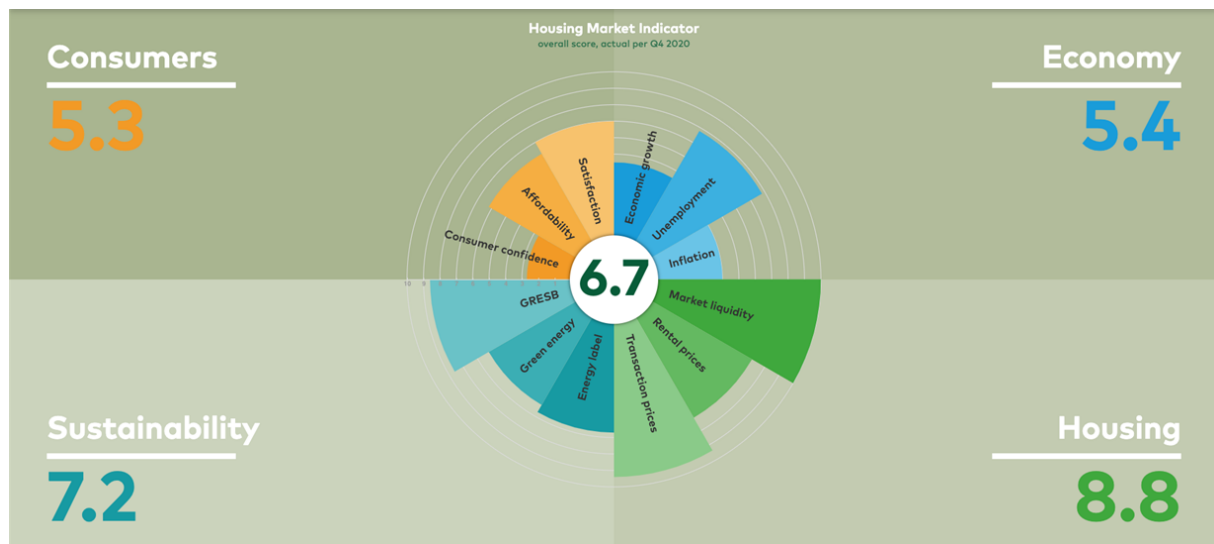
Vesteda’s goal is to become a High Performance Organisation (HPO), which requires us to focus on those elements that will make us elevate and ultimately outperform peer group companies. Our employees are key in achieving our ambition and strategic goals. The past year proved that we have a passionate, responsible and hardworking employee population, continuing to relentlessly stay focused on our ambition becoming the best landlord in the Netherlands. We will further upskill on our customer focus and service orientation in the coming year. Following our new ERP system, more integrated processes will help us to improve our efficiency and collaboration across the company. We will also make further improvements and invest in innovations such as data science and artificial intelligence to make more use of the available data for our decision making.

Funding: "Provide a robust and well-diversified, flexible, and green funding structure with low leverage and low cost of largely fixed-rate debt".

We will continue with our strategy of diversifying our funding sources and improving our maturity profile, while maintaining a low leverage and lowering our cost of debt to make it more sustainable. To further strengthen our funding structure, we will continue to issue bonds and to explore other attractive longer-term funding opportunities.

Market developments

Vesteda Housing Market Indicator, actual as per Q4 2020

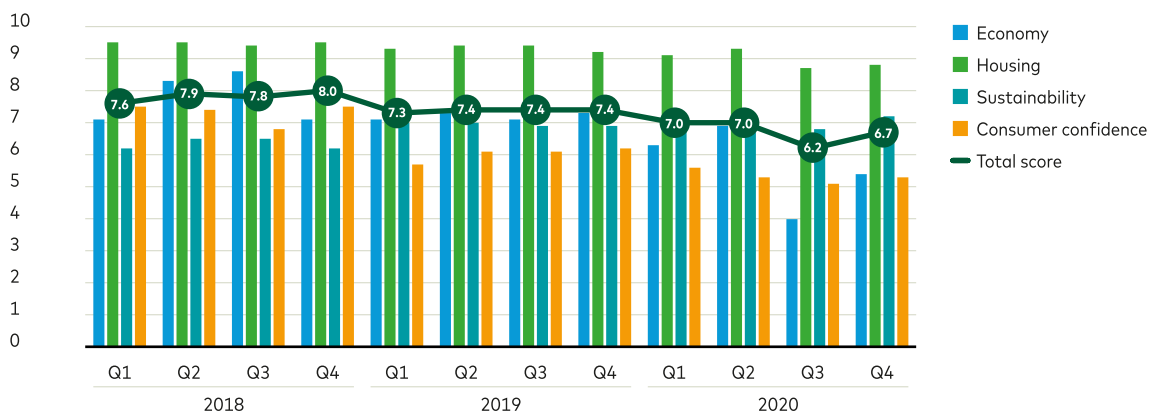


Source: Vesteda, www.vestedamarketwatch.com

Serious impact of COVID-19 on Dutch economy, housing market unaffected

It will come as no surprise that the Housing Market Indicator dropped significantly in 2020. We started the year with a steady score of 7.0 in Q1 and Q2, but the effects of the COVID-19 pandemic were clearly visible in the 3rd quarter, as the score dipped to 6.2. The swift decline in GDP growth and consumer confidence in particular had a huge impact. The HMI recovered slightly to a score of 6.7 in Q4, but these early signs of a recovery are still fragile.

Vesteda Housing Market Indicator, Q1 2018 - Q4 2020



Source: Vesteda, www.vededamarketwatch.com

The COVID-19 pandemic resulted in a global crisis and governments across the world taking various extreme measures to deal with the economic, humanitarian and social consequences. Although the exact (economic) impact on the long-term is yet unclear, the economic effects in 2020 were clearly visible and the effects will presumably reach far beyond 2020. We expect a delayed impact in the form of unemployment and bankruptcies when government aid is phased out. It is hard to determine the exact impact, which will very much depend on the duration of this crisis and the Dutch government's support aimed at providing Dutch citizens with income security.

The impact on the Dutch housing market has been less dramatic than the impact on the economy as a whole, at least so far. House prices are still rising, albeit at a slower pace, and the transaction rate is still high. The rental market is also still in good shape, despite an increase in vacancy in the high-end rental segment. Strong demand, limited supply and low interest rates seem to be providing a strong foundation for the housing market.

We are also seeing positive developments in other HMI drivers. Tenant satisfaction increased to an all-time high of 7.1 in 2020, compared with 6.9 in 2019. Furthermore, the score on the sustainability front increased to 7.2 in Q4 from 6.9 in Q1. This improvement was primarily due to an increase in the numbers of homes with a green energy label and by a significant improvement of the GRESB score of Dutch residential non-listed real estate.

Tenants

Introduction

The COVID-19 outbreak made last year an exceptional year for our tenants and for the Operations department at Vesteda. We had to adjust our work processes due to the government measures, but we felt it was even more important to maintain an open dialogue with our tenants on how COVID-19 was affecting them.

Did our tenants have (financial) concerns due to the rise in unemployment and restrictions imposed by the government? How did they experience their home and living situation during the COVID-19 outbreak, when working from home became the norm?

Vesteda offered tenants tailor-made solutions if they saw a decline in their income, to help tenants who found themselves in acute financial difficulties due to the COVID-19 pandemic. In addition to tailor-made solutions, such as payment arrangements, Vesteda also took a number of additional measures. For instance, we put a freeze on evictions of tenants in rent arrears and we did not charge collection costs. We also moderated our annual rent increase in July 2020 for the regulated segment to CPI and for the liberalised segment to a maximum of CPI plus 1%.

We asked a large group of tenants whether their homes still met their housing requirements following the COVID-19 outbreak. Working from home meant that most of our tenants are spending more time at home than ever before. This may have consequences for their housing requirements and living experience. Around 1,100 tenants shared their input with us. Please refer to page 19 and 20 for the key outcomes.

In the first half of 2020, we launched a new ERP system, new rental and My Vesteda portals and we insourced the former Delta Lloyd portfolio. Due to COVID-19, we did experience a rise in vacancy in the second half of the year, mainly in the higher rental segment and especially in Amsterdam, as a result of less demand for housing by expats and freelancers. Subsequent lettings declined, as it proved difficult to arrange viewings by (potential) new tenants with departing tenants.

Focus on tenant satisfaction

Investing in sustainable relationships with our tenants

We want our tenants to feel at home with Vesteda and therefore it is important that we listen to their feedback. Clear and transparent communications contribute to this effort, whether this is digital or face-to-face. We want our tenants to see us as the best landlord in the Netherlands.

A service-oriented organisation

One fan a day

The quality of the services we provide is a key priority for us, and one of the ways we are improving our services is by creating a truly service-oriented culture within Vesteda. The aim to make one fan a day, helps us realise this ambition. Our Operations team consists of people with customer-centricity in their DNA, people who provide our tenants with a seamless client journey. If an issue does occur, we will try to solve the problem as quickly as possible.

AEDs

In 2020, we placed approximately 13 AEDs across our portfolio. To identify the gaps in the AED network, we carried out a scan of our portfolio, i.e. the areas where there are no registered AEDs available 24/7 within a radius of 500 metres. In 2021, we will continue to place more AEDs in our complexes.

Research safety lead pipes

In early 2020, there was a fair amount of publicity about contaminated drinking water from lead pipes in older homes in Amsterdam. Vesteda owns approximately 200 homes in the Amsterdam area that were built before 1960 and which could possibly contain lead pipes. Over the past year, we tested the water of these homes for the presence of lead. The research was carried out by Normec, in collaboration with construction company Hilhorst. All samples were well within the legal standard.

Affordability

Pro-active tenant communication regarding payment problems

Thanks to cooperation between the various Vesteda departments and our in-house property management, we can quickly identify impending payment problems among our tenants. This enables us to contact tenants in the early stages of payment issues, so we can try to help them by offering payment plans or to find a more affordable rental home in the neighbourhood. We have reached a number of individual arrangements with tenants who are experiencing payment issues as a direct result of the COVID-19 pandemic and we will continue to offer these arrangements.

Home sharing

Keyworkers, including healthcare staff, teachers and other public sector workers, are experiencing increased pressure on the housing market due to the lack of affordable homes near their jobs, especially in city centres. Public sector employees are known to be essential to enabling others to do their jobs. To help essential workers to find affordable homes, we allow home sharing in specific buildings. This allows two friends or colleagues to rent a home together. Stimulating home sharing will make living in and around cities more accessible for a larger group of people.

Voluntarily cap on annual rent increase

In the last few years, market rents have increased faster than our tenants' incomes. In 2018, we voluntarily changed our rental policy by capping our annual rent increase below the maximum contractually agreed rent increase. In 2021, we will also cap the annual rent increase for the liberalised rental contracts to CPI plus 1%, anticipating on potential new regulation.

Communication and digitalisation

Digital developments

A robust technology framework and backbone is crucial to collect, administer and process tenant and property data. Collecting and using this data effectively will be essential in our drive to continuously improve the quality of our services. It gives us a solid foundation for the continuous expansion of technologically advanced social interaction with our tenants. This includes the use of remote visual interaction, social media marketing, chats and webcare. The introduction of a new ERP system in 2020, together with our new website and the digitalisation of the rental process are important digital milestones in this process. The introduction of the new client portal My Vesteda and the rental portal 'Verhuur Office' added to an improved digital customer experience. And the government measures prompted by the COVID-19 pandemic accelerated digital developments within Vesteda itself. Our field employees quickly adapted to digital viewings and inspections.

Annual tenant review

Last year, we published our digital annual tenant review via a dedicated website. By clicking on one or more of the main themes, tenants were able to read more about the subjects they were interested in. It also gave them a look ahead at what they could expect in 2020. We use this annual review to provide tenants with insights into what we have achieved on certain fronts, such as sustainability, affordability and tenant satisfaction.

LED TV screens

In 2020, we started a pilot with LED TV screens in the entrances of five complexes spread across our portfolio. The screens feature relevant information about construction or cleaning work in or around the complex, contact details for the caretaker and Vesteda's own 'how-to videos' about My Vesteda, garden maintenance or how to prevent and resolve differences with your neighbours. In addition to this, we sent an online questionnaire to gather input from tenants on the subjects displayed on the screens. They provided us with some useful ideas for information displays in the future.

Entrance upgrades

In 2020, we upgraded the entrances of a selected number of complexes in the portfolio. Where possible, we involved the tenants of these complexes in the decision making process. This resulted in, among other things, the creation of a petanque court and total restyling of entrances. The Acquisition team is also working closely with the Operations team to increase the focus on the design of the entrances of any new-build complexes we acquire.

Good neighbours ('Doe je buren een plezier')

Together with our tenants, we invest in a friendly and hospitable living environment. Managing expectations and clear communication can help us achieve that goal. This is why we produced a number of flyers with friendly advice on keeping hallways clean and safe, the use of elevators, how to maintain your garden, etc. In addition, we made several how-to videos on various themes, for instance on how to maintain good relations with your neighbours, how to use the new My Vesteda portal and how to clean the ventilation grilles.

Tenant satisfaction surveys

Together with our tenants, we want to create an environment in which they feel at home. The satisfaction surveys are a valuable indicator for us and we use the outcome to improve our services and homes. Once a year, we measure our tenant satisfaction through a benchmark survey conducted by Customeyes. We participate in this survey with other institutional investors in the Netherlands. The Customeyes data consists of a representative sample drawn from all Vesteda's tenants. We share the results of this survey with our tenants and employees. Together with the Vesteda Management Board, all managers involved evaluate the results to identify any potential improvements.

In April 2020, we insourced the property management of the remainder of the Delta Lloyd portfolio. The satisfaction scores of these tenants are included in this year's outcome.

Benchmark tenant satisfaction

The score for overall tenant satisfaction is comparable to the Net Promoter Score. The Net Promoter Score is a method used to measure client loyalty. Our current tenant satisfaction score is 7.1, an improvement on our score in 2019 (6.9) and above the benchmark (7.0). We believe this is a great achievement in such a tumultuous year, with COVID-19, the insourcing of the Delta Lloyd portfolio and the implementation of the new ERP system. We believe that the improved score, also during the prior years, reflects the importance of in-house property management as part of our business model and the need to gather direct feedback from our tenants to make them an integral part of our business model.

The Customeyes benchmark provides us with detailed information on how our tenants experience our homes, the living environment and our service levels. We continue to focus on improving tenant satisfaction based on the information from this survey. Our goal is to outperform the benchmark every year.

Monitoring of services

In addition to the annual benchmark survey, we monitor our daily services and the contact with our tenants. Our Operations department is in daily contact with our tenants, managing the intake of new tenants, repair and maintenance requests, and the handling of complaints. We analyse and share the results of the customer surveys within our organisation to increase company-wide awareness of the importance of tenant satisfaction, and we provide the insights they need to make any necessary improvements.

After the completion of a repair request, complaint procedure or new tenant intake, an external provider sends a questionnaire to tenants to evaluate our services. We have incorporated the targets specified in the table below in our performance cycle as KPIs and they have an impact on employee evaluations. The dashboard we use makes it possible to see results in real time, which enables us to take immediate action if necessary.

In April 2020, we switched from Client Contact Monitor to Tevreden.nl and in June we implemented the new ERP system. This new system will enable us to automate the daily monitoring process, which will reduce manual work and error margins. Unfortunately, we experienced some technical problems after the implementation of the new ERP system, which meant we were unable to send out surveys. As a result, no surveys were sent out for the intake of new tenants and repair requests from 1 June. Using a manual workaround, we did send out complaints surveys through to mid-October.

Scores vs. targets (out of 10)

	Target 2020	Score 2020		Score 2019
		January - March	April and further*	
Repair requests	7.8	7.3	8.1	7.7
Complaint handling	5.7	5.7	6.0	5.3
Intake new tenants	8.1	8.2	7.9	8.1

* Due to technical problems, surveys for the intake of new tenants and repair requests were collected until 1 June and surveys for complaint handling were collected until mid-October.

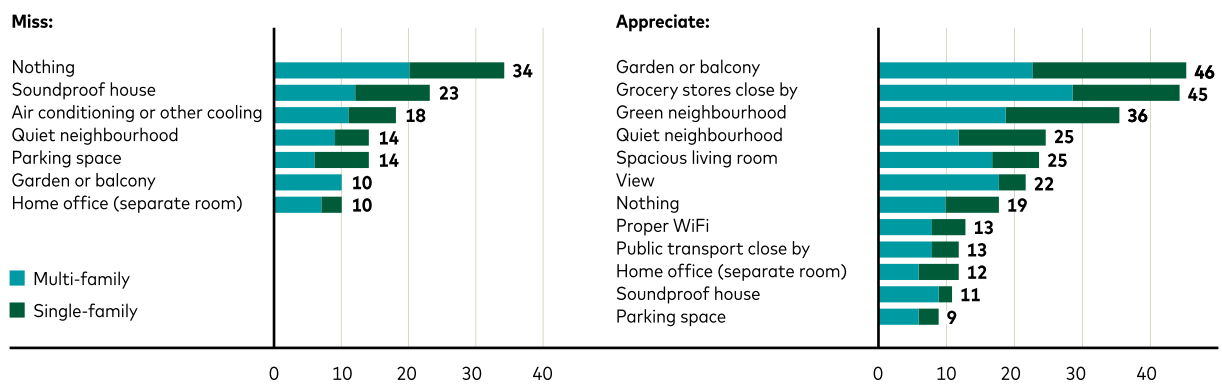
Survey on the impact of COVID-19

In a survey we conducted in October 2020, about 1,100 tenants provided Vesteda with insights into their experiences with respect to their homes and living environments since the outbreak of COVID-19. A large proportion of tenants indicated they did not miss anything in their home or their surroundings. One worrying outcome was that 19% reported a decline in household income.

Although the majority of our tenants do not have issues with neighbours, they do report cases of nuisance, mostly with respect to noise. The fact that people are now spending more time at home means that many are experiencing this nuisance for the first time, or more intensely than before. The reported cases of nuisance were not limited to neighbours, as they also included the state of our tenants' homes or their living environments.

We are pleased to report that many tenants indicate that they are happy with their homes and their living environment, as they recognise more than ever the importance of a safe place and a pleasant living environment. Gardens or balconies and nearby grocery stores are especially appreciated. The number of aspects that tenants appreciated was 1.6 times higher than the number of aspects they missed. We see this outcome as a sign that our tenants are generally positive.

Since the outbreak of COVID-19, what did you miss or appreciate in your house or living environment? (%)



Source: Vesteda

Conclusion

The improvement of our services for tenants remains important. We believe that satisfied tenants are less likely to move and that they contribute to the well-being of other tenants, which in turn enhances social cohesion and the performance of our assets. From the tenant satisfaction surveys, we learned what areas of the services we provide require extra attention. We would like to thank all the respondents from last year for sharing their thoughts and insights with us.

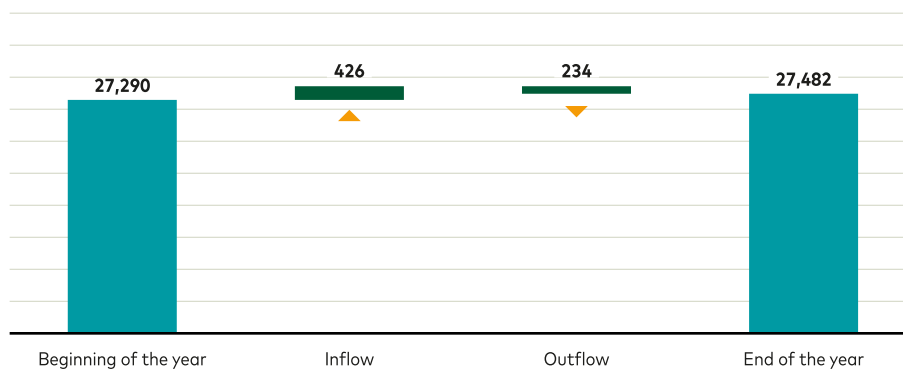
Please refer to the [Management agenda 2021](#) of this report for our plans to improve our tenant services in 2021.

Portfolio

Units

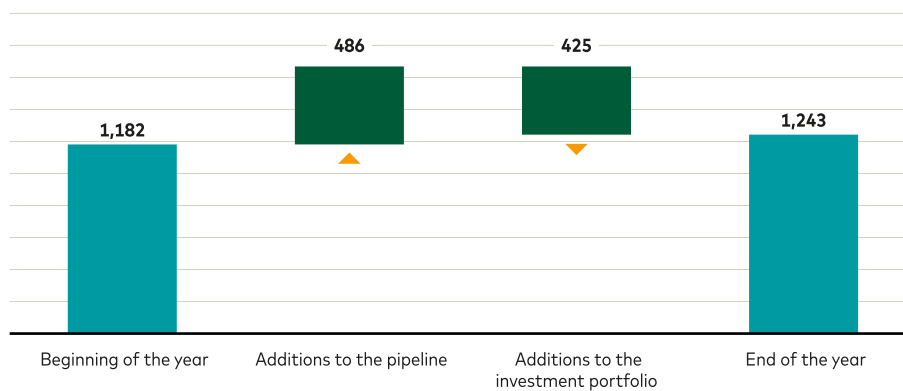
The total number of residential units stood at 27,482 at year-end 2020, an increase of 0.7% compared with year-end 2019. In 2020, we added a total of 426 homes to our investment portfolio, of which 425 new-build homes and one transformation unit. We sold 234 units, consisting of 165 individual unit sales and two complex sales totalling 69 units.

Investment portfolio development in 2020 (number of units)



The total committed pipeline stood at 1,243 units at year-end 2020. We signed contracts for five new-build projects, adding 486 units to the committed pipeline.

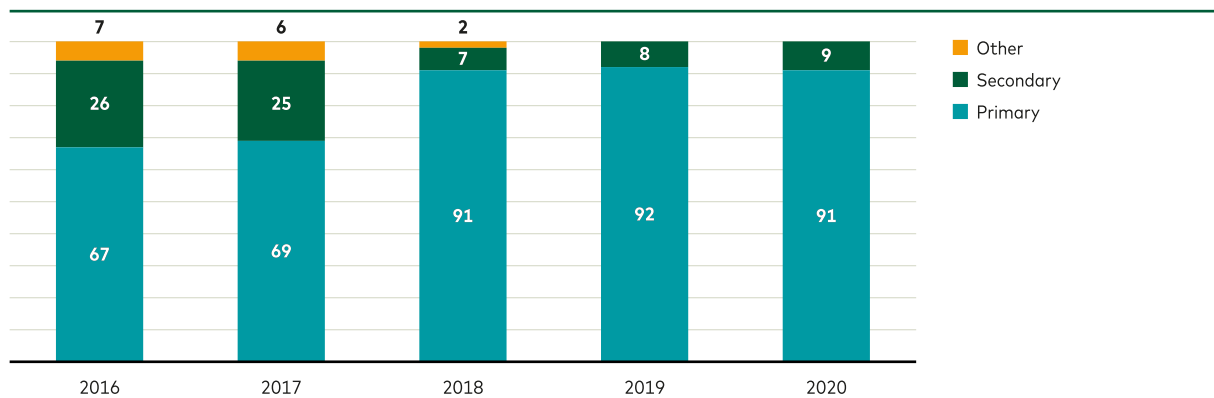
Acquisition pipeline development in 2020 (number of units)



Segmentation

At year-end 2020, 91% of the investment portfolio was located in Vesteda's primary regions. This is slightly lower than last year, due to inflow of new-build homes into the investment portfolio that are located in a secondary region.

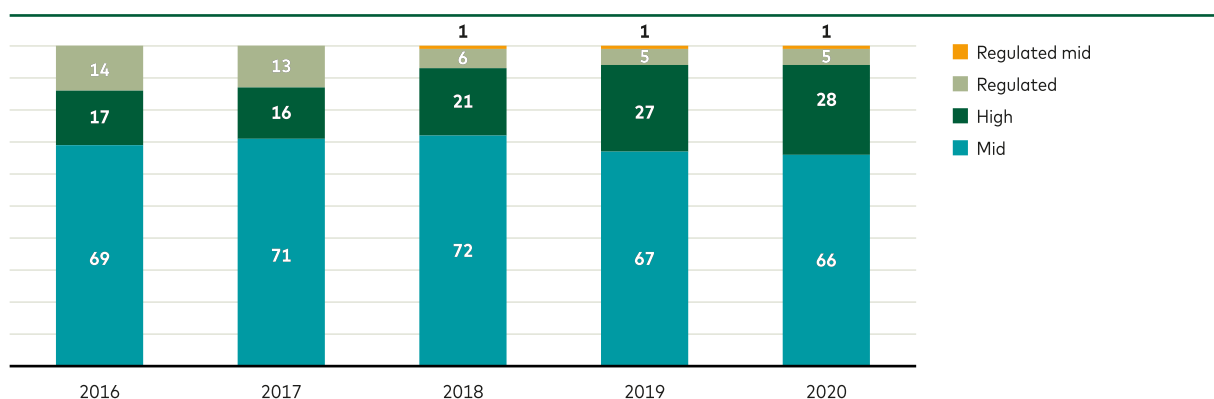
Composition of the investment portfolio by region (% weight in value)



Vesteda is playing its part in delivering affordable homes in the mid-rental segment. As a socially responsible investor, we recognise that finding an affordable home is a growing problem, especially for low-income and middle-income households. We believe that the only way to solve this shortage, including all the knock-on effects they have, is to build more homes. Enlarging the supply of mid-rental homes will help to create a balanced housing market and attractive and liveable cities. In line with our strategy, our pipeline consists of mid-rental and regulated mid-rental segment homes.

We saw a slight shift in our overall portfolio from the mid-rental segment to the higher segment. The main drivers for this were increased market rents and the annual rent increase, while the threshold amount for the higher segment remained unchanged at €1,200 rent per month.

Composition of the investment portfolio by rental segment (% weight in value)



Acquisitions and property sales

Last year, the COVID-19 pandemic had a severe impact on both the Dutch economy and the global economy. So far, the residential (investment) market appears to still be a stable safe haven for investors in uncertain times. The flow of international capital into the Dutch market continues to increase, which is also increasing competition for new-build properties. Although we did see a short pause in investment during the first lockdown, while investors recalibrated their strategy in Q2/Q3, investors continued to pursue residential real estate buying opportunities. Several large existing portfolios were sold at record low yields.

In the third quarter, the Dutch government announced its plans to increase the Real Estate Transfer Tax (RETT) rate for residential investments to 8% from 2% as of 1 January 2021. Theoretically, this rate change is expected to have a negative impact on the value of all rental homes in operation in the Netherlands and the liquidity of the assets for investors with a short or medium horizon. In their Q4 valuations, appraisers did take part of this effect into account, but we still saw a minor positive revaluation of the overall portfolio. Furthermore, the impact of the proposed change on the new construction market appears limited, as these investments are liable for VAT and are acquired by investors with a long-term horizon.

The competition for high-quality new-build residential product remains fierce. Furthermore, rising construction costs, due in part to the tightening of sustainability requirements, and high land prices are making it difficult to get new-build projects started. Vesteda continues to target quality rather than volume and remains selective regarding acquisitions.

Portfolio inflow

The table below provides an overview of the new-build additions to the investment portfolio in 2020.

New-build additions to the investment portfolio in 2020

Residential building	Location	Number of Type units	Region	Rental segment	Quarter of completion
Hoog Dalem	Gorinchem	25 Single-family	Primary	Mid	Q2
Noorderhaven	Zutphen	126 Single-/Multi-family	Secondary	Mid	Q2
Toren	Hoorn	72 Multi-family	Primary	Mid	Q2
Westergouwe	Gouda	71 Single-family	Primary	Mid	Q2/Q3
Bensdorp	Bussum	40 Multi-family	Primary	Mid	Q3
Koningsoord	Berkel Enschtot	32 Single-family	Primary	Mid	Q3/Q4
Onder de Linden	Oosterhout	39 Single-family	Primary	Mid	Q3/Q4
Willemsbuiten	Tilburg	20 Single-family	Primary	Mid	Q4
Total		425			

Pipeline

Vesteda added a total of five new-build projects to its pipeline in 2020, totalling 486 residential units. The total committed pipeline stood at 1,243 units at year-end 2020, with an estimated market value of €426 million at completion. All projects are in line with Vesteda's portfolio strategy in terms of region, rental segment and energy label. The majority of the projects are located in urban expansion sites of larger cities in the Netherlands, where Vesteda can benefit from the promising and ongoing development of the areas.

Composition of the committed pipeline at year-end 2020

Residential building	Location	Number of Type units	Region	Rental segment	Completion
De Generaal	Rijswijk	120 Multi-family	Primary	Mid	2021
Milestone	Eindhoven	1 Single-family	Primary	Mid	2021
Punt Sniep	Diemen	202 Multi-family	Primary	Mid	2021
Tromppark	Dordrecht	40 Single-family	Primary	Mid	2021
Westerwal	Groningen	171 Multi-family	Primary	Mid	2021
Willemsbuiten	Tilburg	22 Single-family	Primary	Mid	2021
Zuidpoort	Veenendaal	34 Single-family	Primary	Mid	2021
Frank is een Binck	Den Haag	205 Multi-family	Primary	Reg/Mid	2022
Goudshof	Gouda	72 Multi-family	Primary	Mid	2022
Regent II	Den Haag	98 Multi-family	Primary	Mid	2023
The Ox	Amsterdam	168 Multi-family	Primary	Reg/Mid	2023
Tetem III	Enschede	110 Multi-family	Primary	Mid	2024
Total		1,243			



Property sales

Vesteda divested 234 units that no longer met our key investment criteria. The disposals consisted of two complex sales and several individual unit sales. Our disposal strategy is limited after our portfolio disposals in 2018 and 2019.

Performance

Rental income

The total theoretical rent at year-end 2020 amounted to €351 million, an increase of €21 million compared with year-end 2019 mainly due to the inflow of new-build home into the portfolio. Additionally, part of the increase was caused by the fact that since the new ERP implementation, permanent finishes such as floors and screens are included in the market rent and theoretical rent. The total market rent at year-end 2020 was 3.7% higher than the theoretical rent and leads to an increase of reversionary potential in comparison to last year.

Market rent and theoretical rent

(€ million, year-end)	2020	2019	2018	2017	2016
Market rent	364	337	350	264	250
Theoretical rent	351	330	332	260	251

The average monthly rent (residential only) increased by 3.0% due to the like-for-like growth of our standing portfolio and the inflow and outflow (portfolio composition changes) in 2020.

Average monthly rent per unit

(€, year-end)	2020	2019	2018	2017	2016
Average monthly rent	1,016	986	945	910	882

The table below shows the impact of the rent increase, reletting and portfolio inflow/outflow.¹

Development of total theoretical rent of residential units

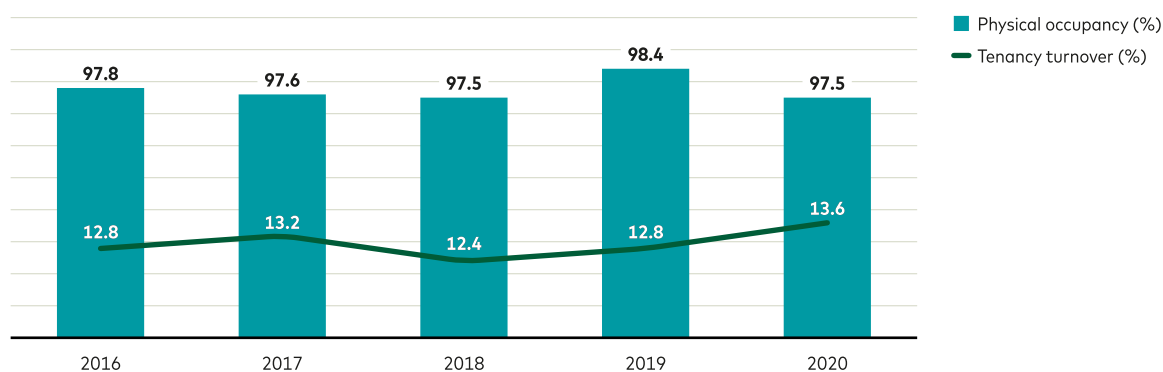
(%)	2020	2019
Like-for-like rental increase	2.7	3.6
- Average rental increase for current tenants	2.3	3.1
- Re-letting	0.3	0.5
Inflow and outflow of properties in the portfolio	0.1	0.0
Total increase in theoretical rent	2.7	3.6

Occupancy

The occupancy rate (in units) declined to 97.5%, primarily driven by a higher vacancy rate in the higher segment in Amsterdam due to less demand for housing by freelancers and expats during the COVID-19 pandemic. Tenant turnover increased to 13.6% in 2020, compared with 12.8% in 2019.

¹ Theoretical rent is measured at a single point in time (year-end) and therefore does not correspond with the increase in theoretical rent in 2020 compared with 2019, which you will find in Note 5 of the consolidated financial statements in this report.

Occupancy (% , year-end) and tenant turnover (%)



Rental income

The gross rental income of the portfolio increased last year. Due to higher vacancy and higher operating expenses, net rental income remained broadly in line with 2019. The higher operating expenses were largely due to several investment projects that were delayed in 2019 and delivered in 2020, plus higher maintenance costs. As a result, the gross/net ratio increased to 24.9%, compared with 23.3% in 2019.

Rental income

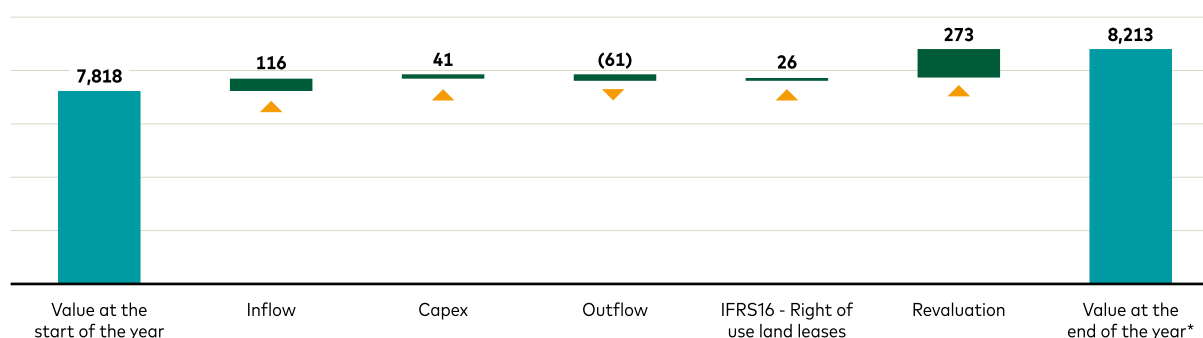
(€ million, unless otherwise stated)

	2020	2019	2018	2017	2016
Gross rental income	335	329	281	247	242
Net rental income	251	252	210	184	182
Gross/net ratio (%)	24.9	23.4	25.1	25.6	24.8

Market value

The table below shows the market value development of the investment portfolio. The value increased to €8.2 billion at year-end 2020 (including IFRS 16). This is 5.1% higher than at year-end 2019, mainly as a result of a higher number of units in the portfolio and positive revaluations. Market values continued to increase despite COVID-19 uncertainties and partly driven by the increase of the Real Estate Transfer Tax (RETT) to 8% from 2% as per 1 January 2021. The investment market remained strong, both for residential complexes and individual unit sales.

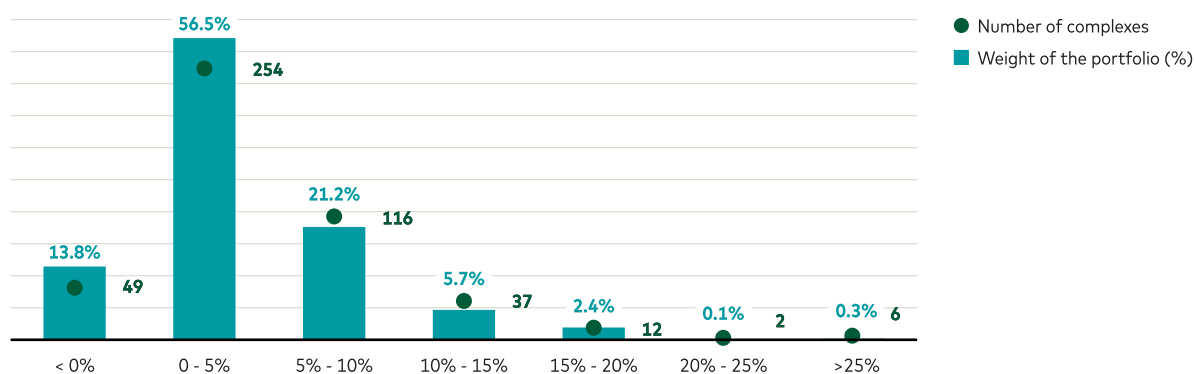
Changes in market value in 2020 (€ million)



* excluding head office of Vesteda in Amsterdam (De Boel)

The revaluation of the total portfolio was +3.5% in 2020. This positive result was driven by a solid value increase of mid-rental properties, especially in medium-sized cities and in the suburbs or larger cities.

Revaluation in 2020



Average value per residential unit

The average value per residential unit in the portfolio had increased by 5.0% to €292 thousand at year-end 2020. This increase was largely driven by the revaluation of 3.5% and changes in the composition of the portfolio (inflow and outflow).

Average market value per unit

(€ thousand, year-end)	2020	2019	2018	2017	2016
Average value per residential unit	292	278	244	213	186

Gross initial yield

The gross initial yield on the portfolio, defined as the theoretical rent at year-end divided by the value of the portfolio at year-end (excl. IFRS 16), changed slightly, from 4.3% in 2019 to 4.4% in 2020. The slight increase is caused by the steeper increase of rental income at year-end compared with the value increase, which was lower due to the impact of mainly the increased real estate transfer tax.

Gross initial yield

(%)	2020	2019	2018	2017	2016
Gross initial yield	4.4	4.3	4.7	5.4	5.9

Participants

Vesteda has a strong and supportive investor base with a long-term horizon, largely consisting of pension funds and insurance companies. In 2020, Vesteda welcomed Deutsche Annington Acquisition Holding (Vonovia) as a new participant in the fund following secondary transactions.

List of institutional investors (participants)

At year-end 2020, Vesteda's participant base consisted of the following institutional investors (in alphabetical order):

- Allianz Benelux
- APG Strategic Real Estate Pool
- AZ Jupiter 10
- Deutsche Annington Acquisition Holding GmbH
- Euler Hermes
- Nationale-Nederlanden Levensverzekering Maatschappij
- Non-disclosed Asian institutional investor
- PGGM Private Real Estate Fund
- REI Diaphane Fund
- Stichting Bedrijfstakpensioenfonds voor de Media PNO
- Stichting Pensioenfonds ABP
- Stichting Pensioenfonds Delta Lloyd
- Stichting Pensioenfonds ING
- Stichting Pensioenfonds PGB
- Stichting Pensioenfonds Rail & Openbaar Vervoer
- Stichting Pensioenfonds voor Fysiotherapeuten
- Stichting Pensioenfonds Xerox
- Stichting TKPI European Real Estate Fund
- VCRF Holding

Number of issued participations

The total number of issued participation rights remained unchanged in 2020 at 35,897,595.

Distribution to participants

Policy: Approximately 60% of budgeted distribution is paid out in three instalments in the course of the year, each time two weeks after quarter end. The remaining approximately 40% will be paid out in two instalments after the close of the financial year, one in January, shortly after fourth quarter end, and one after the adoption of the distribution proposal in April.

In 2020, a total amount of €194.7 million was distributed to participants, with €79.2 million consisting of the Q4 2019 interim distribution paid out in January 2020 and the 2019 final distribution paid out in April 2020. A total of €115.5 million was paid in three instalments as an interim distribution for 2020.

In 2021, the Q4 2020 interim distribution of €38.5 million was paid out in January. Vesteda will propose to the General Meeting of Participants on 7 April 2021 a final distribution payment for 2020 of €29.9 million.

Distribution payments (2020-2011)

(€ million, unless otherwise stated)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Distributable income	195	182	151	206	121	107	100	74	120	109
Capital repayment related to portfolio sale	-	162	264	-	-	-	-	-	-	-
Total distribution	195	344	415	206	121	107	100	74	120	109
<i>Distributable income as % of time weighted average equity</i>	3.2	3.2	3.4	6.1	4.4	4.4	4.4	3.1	4.7	4.0
<i>Total distribution as % of time weighted average equity</i>	3.2	6.0	9.3	6.1	4.4	4.4	4.4	3.1	4.7	4.0

'Gym' in the living room

COVID-19 has obviously had a major impact on my work and life as a senior school sports teacher. The only 'lucky' thing, if you can call it that, is that I am still single. So it was easy for me to work from home. I cleared part of my living room and turned it into an exercise space, so I can show my pupils a variety of exercises 'on the square metre', so to speak, with things that everyone will have lying around the house.

So COVID-19 has had little impact on my quality of life. I live in a spacious apartment, in a neighbourhood that is a pleasant mix in terms of age and lifestyles. And everything I need is nearby. The only thing that's lacking is a private parking space. But I don't miss that either. If I ever need a car, I rent one.

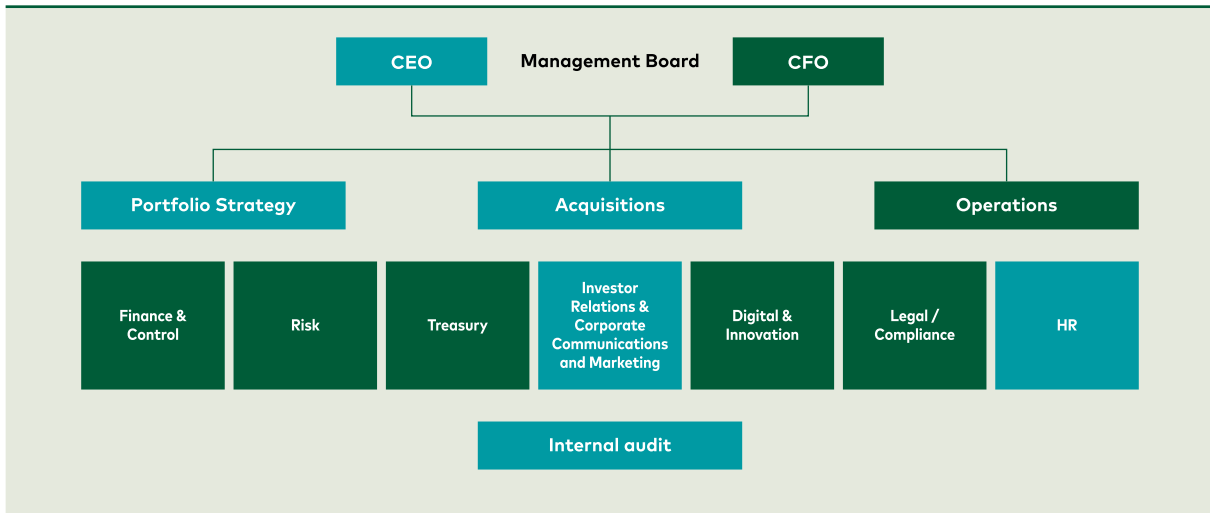
And nowadays, some rental complexes even have their own car rentals, Vesteda's too. Very easy and environment-friendly. I'm glad that Vesteda is also thinking about the future.



'COVID-19 has had no impact on my lifestyle and quality of living'

Organisation and staff

Organisational structure



Vesteda is an internally managed fund with in-house property management. At year-end 2020, Vesteda employed a total of 217 FTEs.

Our organisational structure consists of the Portfolio Strategy, Acquisitions and Operations departments and several staff departments and functions. The Acquisitions and Operations departments are led by respectively Pieter Knauff (CIO) and Astrid Schlüter (COO), who are part of the Management Team. Laura Keijer (HR Director) is responsible for Human Resources and joined the Management Team as per 1 April 2020. The Portfolio Strategy department is led by the Head of Portfolio Strategy, Una Buning, who reports to the CEO. Vesteda’s statutory board remains unchanged and consists of Gertjan van der Baan (CEO) and Frits Vervoort (CFO).

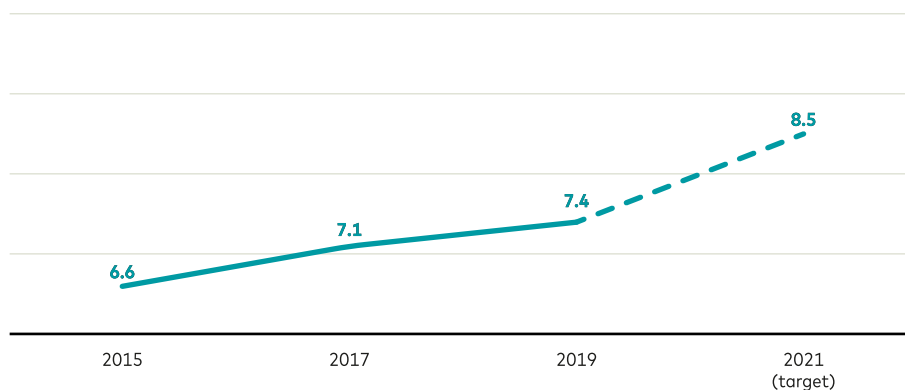
Our Portfolio Strategy department is responsible for the desired portfolio development, monitoring and continuous optimisation of the quality and value growth of our portfolio. Our Acquisitions department is responsible for the execution of the portfolio strategy through the purchase and sale of residential complexes and portfolios. Our Operations department is responsible for the quality of our services, the maintenance of our portfolio, individual unit sales and technical and operational asset management.

Workforce

Organisational developments

Our journey to become a High Performance Organisation (HPO) continued in 2020. The chart below shows the scores from our bi-yearly surveys and the target of 8.5 that we have set ourselves.

HPO survey scores



With the results of our last HPO survey, held in December 2019, we determined our areas of focus and prioritised our work and resources accordingly:

- To become a High Performance Finance Function, creating a strong backbone for the business.
- Within operations, to make one fan a day. The quality of the services we provide is our highest priority, and one of the ways we improve our services is through the creation of a service-oriented culture within Vesteda. The aim to make one fan a day, adds to this ambition.
- To further increase our collaboration between departments and to find out how we can continue to work together in a new hybrid way. At the end of 2020, we started an initiative on employment engagement which will continue in 2021 through digital sessions with employees and managers, an organisation survey and round table sessions.
- We continued our internal management development programme. This year, the emphasis was on skill building to further encourage and develop our managers in how to manage their employees (remotely) and to maintain frequent check-ins with their team members. This is the fourth area of focus as a result of our HPO survey.

This year has been a turbulent year for Vesteda, and not just because of COVID-19. We also insourced the property management activities of the Delta Lloyd portfolio and implemented a new ERP system. We continued to digitalise our business with the launch of the renewed and improved website and the use of big data. Our new website required some rebuilding after the ERP go-live date and this temporarily increased our telephone traffic from tenants. We are learning where and how to best apply new technologies to address everyday business issues. We also created a small data science and business intelligence team to explore the possibilities of advanced analytics. We will continue to work on our digital strategy in the years ahead.

At the same time, we were faced with the challenge of making sure everyone continued to work well together remotely, as we were all forced to work from home for a large part of the year. This required a great deal of effort and flexibility from our employees. In late 2020, we added a home working policy, recognising the benefits of allowing employees to work from home for a part of their working week.

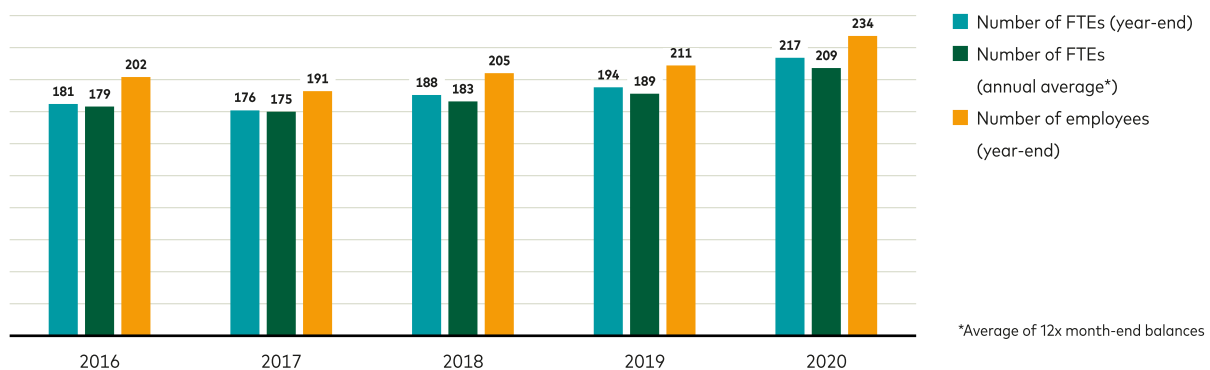
This pandemic has clearly demonstrated that we, as an organisation, and our employees, can be highly flexible and act responsibly and decisively when faced with unforeseen circumstances. As a learning organisation, we put a lot of trust in our employees to be ambitious, to collaborate and to be service oriented. We can only achieve this when employees are and remain strongly engaged and committed to Vesteda's vision, and its purpose. Our internal communications were more frequently based. We ensured there were frequent moments of formal and informal touchpoints to remain in contact with our employees, know how they are coping during the crisis and learn what they needed from the organisation.

Vesteda continues to believe that the health of our employees is important. Therefore, we introduced Vesteda Vitaal in 2019 as a benefit to encourage employees to live a more healthy and balanced lifestyle. Since mid-2020 every employee has a personal budget in the Smartvitaal platform to spend on available offerings ranging from personal vitality plans, preventive health tests and a selection of vitality professionals in the fields of healthy nutrition, exercise, sleep and stress.

Within our Shared Service Centre, set up in May 2020, we continued to build and strengthen the teams with sessions using the RealDrives tool and the introduction of the LEAN method.

The second shift of our trainee programme started in September 2019 with three trainees. During the two-year programme the trainees are given various assignments, changing the departments they work for on average every six months. They also received a strategic assignment to develop their teamwork skills. One of the trainees also visited Vonovia in September 2020 as part of an exchange programme initiated the year before when a trainee from Vonovia visited Vesteda. The traineeship includes a personal leadership programme, with personal coaching, intervention and development workshops. In addition to the current trainees, nine young employees from across the organization participated in the 'young development programme' which started in November 2019.

Employees (number of FTEs / employees)



At year-end 2020, Vesteda employed 217 FTEs, an increase of 11.9% compared with the number of employees at year-end 2019 (194 FTEs). The number of employees increased to 234 at year-end 2020, from 211 at year-end 2019.

Our organisation has transformed significantly over the past few years due to market circumstances, strategic choices and in terms of how we operate the company. We invested in a new ERP system, which went live in June of last year. For the implementation, we needed to temporarily increase our number of interim staff to ensure the continuity of day-to-day operations and to be able to adapt to the new way of working. The implementation of the new ERP system means we made our targeted technological progress, which gives us a solid basis and has enabled us to automate a good deal of frequent, repetitive systematic work. The work will not stop here, as we will continue to develop and refine our ERP system to enable us to achieve our future goals.

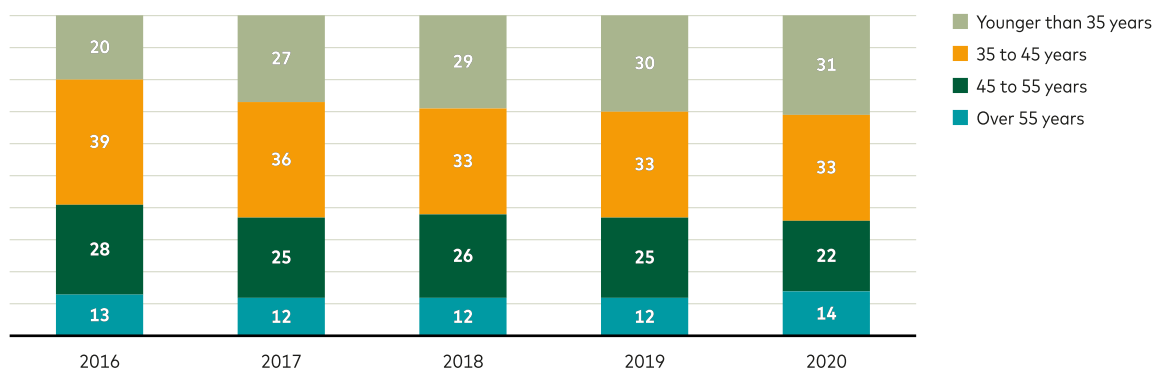
Furthermore, we invested in:

- Our corporate communications and marketing through the appointment of a Head of Corporate Communications and Marketing, to help Vesteda align communications, both internally and externally, with our stakeholders in all contact moments and business processes.
- Our enabling functions, such as Legal, Compliance, Internal Audit, HR, Facilities, to continue to professionalise, maintaining our focus on becoming a HPO organisation and digitalising and upgrading our customer due diligence.
- We also invested in a Quality & Improvement team in our Shared Service Centre to achieve our financial and administrative goals as efficiently and effectively as possible.
- Temporary compliance resources, as Vesteda is a regulated entity and has to comply with a substantial number of (frequently changing) national and European rules and regulations and accommodate reporting and information requests from various regulators. Compliance with these regulations is supervised by the Dutch Authority for the Financial Markets (AFM) as the main regulator.
- Operations and asset management resources, by adding a new regional Northwest team based in Heerhugowaard and redistributing our portfolio over the regions. This enables us to absorb the increased portfolio due to the insourcing of the property management activities of the Delta Lloyd portfolio into our own organisation.
- Temporary increase of our population of flex workers (+4 FTEs) to enable us to anticipate and respond appropriately to the current impact of COVID-19 on our daily business processes. This included an increase in the number of calls from tenants about the likes of neighbour-related nuisance complaints, the increased attention for reletting in the higher rental segment, and less consecutive rental and increased support to offer tailor-made solutions for tenants in financial difficulties.

Training and development

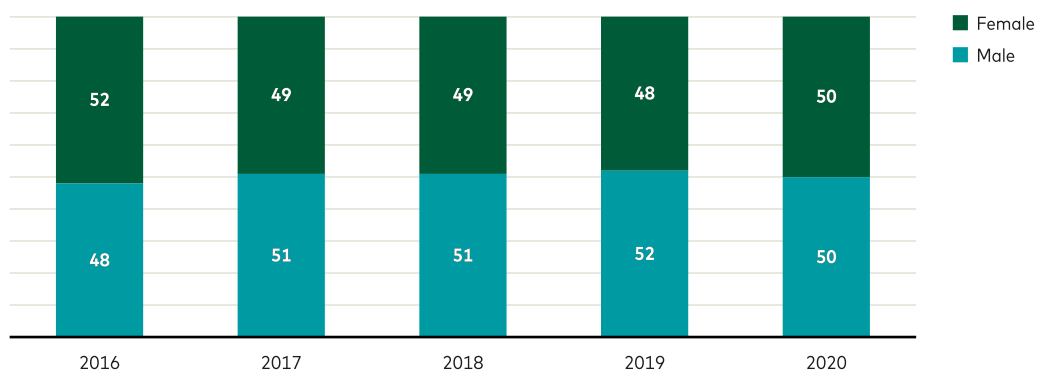
In 2020, Vesteda invested €327 thousand (or 2.3% of the gross payroll) in the education and development of individual employees, the teams, the new employee council members, trainee, young development programme and the 'Vesteda Verbeterd' (Vesteda Improves) programme. This is a reduction of 52% compared with 2019 (4.8% of the gross payroll), mainly due to the COVID-19 pandemic as many trainings were either postponed, cancelled or held online.

Workforce by age (%)



The average age of Vesteda employees rose to 41.1 years of age from 40.9 years of age in 2019. The largest portion (33%) of the workforce remains between 35 and 45 years of age (similar to 2019). The representation of the group older than 55 years of age increased to 14%.

Workforce by gender (%)



At the year-end 2020, 50% of the workforce were male and 50% were female.

In 2020, 46 new employees joined Vesteda (59% female/41% male) and 23 employees left the company (43% female/57% male). The employee turnover rate in 2020 was 10%, significantly lower than the 17% in 2019.

The male/female ratio within the statutory board is 100/0 and the male/female ratio within the Management Team, including statutory board, is 60/40. In 2020, Vesteda's Supervisory Committee consisted of five members: three male and two female. Vesteda recognises the importance of an equal distribution of male and female members of its Management Board and Supervisory Committee, taking into account that the candidate's qualification and suitability for the function are always the leading principle.

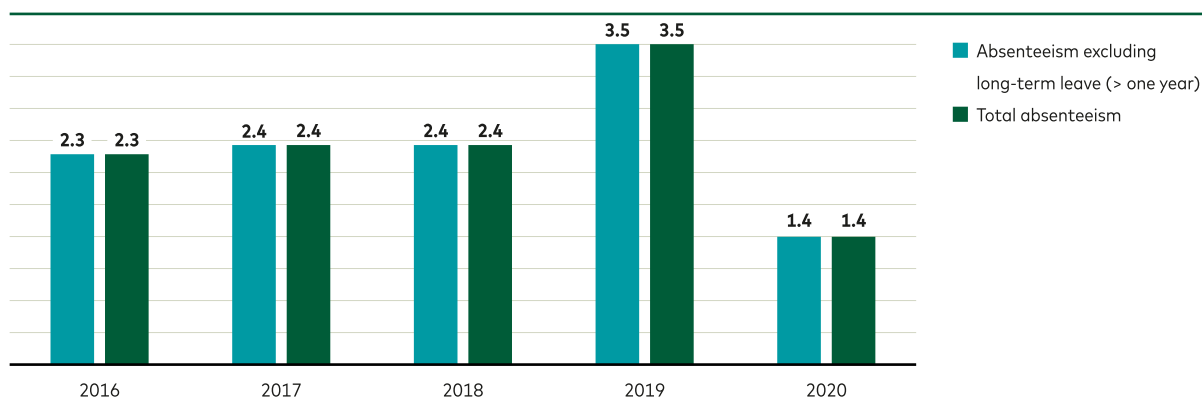
At year-end 2020, 82% (97 males and 95 females) of Vesteda's employees had indefinite contracts, while 18% of the employees of Vesteda had contracts for defined periods (19 males and 23 females). The percentages were the same for 2019.

At year-end 2020, 34% of Vesteda's employees worked part-time (64 females versus 15 males). Most of Vesteda's full-time employees are male (101 males versus 54 females).

The percentage of employees covered by collective bargaining agreements was 92% at year-end 2020.

Absenteeism

Sick leave (%)



Absenteeism declined to 1.4% in 2020, compared with 3.5% in 2019.

Total remuneration

Total remuneration amounted to €14.3 million (92% fixed and 8% variable) in 2020, an increase on the €13.2 million in the prior year.

Bonuses

Vesteda has a bonus scheme with a collective component that includes criteria such as the realised operational result, GRESB score, tenant satisfaction score and increase in gross rental income. The variable remuneration also includes an individual component and in some cases a team component. Variable remuneration is only paid, in full or in part, if the targets are met. In 2020, the targets were met for the most part.

Works Council

During the year, the Works Council and the Management Board met on a regular scheduled basis. These meetings were constructive and subjects included but were not limited to employee communications during COVID-19, HPO, Vesteda Vitaal, the ERP system, funding and the home working policy. Two members of the Works Council left the company in 2020 and this resulted in new elections at the end of the year.

Funding

Vesteda has a well-diversified fully unsecured funding structure, consisting of a combination of bank debt, Euro Commercial Paper (ECP), private placements and public bonds. This unsecured debt profile enables Vesteda to secure debt funding through various debt markets at any point in time. In 2018, Vesteda's debt funding strategy was subjected to an extensive benchmarking and strategic review. The (external) review concluded that the current financing strategy is logical, well substantiated and adequate. Since this review, Vesteda issued its first benchmark bond, followed by a green benchmark bond in 2019, and added the ECP programme to its funding structure. These actions further improved the robustness, flexibility, diversification, and sustainability of our funding structure.

In the first half of 2020, the economy was severely hit by the effects of COVID-19 and many businesses were forced to tap into extra liquidity from banks and capital markets. Vesteda was also hit by these effects, as it proved difficult to make use of the Euro Commercial Paper market. As Vesteda is required – due to its long-term funding targets – to have a Revolving Facility Agreement in place as a back-stop for its ECP, Vesteda was able to make use of its €700 million Revolving Facility Agreement to replace its ECP. Vesteda was not required to arrange extra financing for its funding requirements and the funding structure proved to be robust, which meant Vesteda did not have to make any changes to its funding strategy.

Vesteda has a credit rating of BBB+ with a stable outlook from Standard & Poor's, which was reconfirmed in May 2020.

In October 2020, we issued our first green private placement with two new lenders. This private placement is made up of two €50 million placements and has terms of 10 and 15 years, with interest rates of 1.03% and 1.38%. The financing has two purposes: firstly, to (re)finance homes with an energy label A and, secondly, to (re)finance homes that made an improvement of the energy label by at least two steps, to a minimum energy label C. We will report on any energy savings and CO₂ reductions realised in the homes, and this reporting will be verified by an independent party. The green private placement also has a shelf structure; Vesteda can raise another €150 million with these investors (subject to approvals) without amending the private placement agreement.

In December 2020, we signed a term loan agreement with the European Investment Bank (EIB). This agreement will have a tenor of 10 years and allow fixed rate and floating rate funding. Drawdowns can be made up to one and a half years after signing. The proceeds of this loan agreement will be used to fund projects in (regulated) mid-rental housing and to improve the sustainability of Vesteda's existing portfolio, up to 50% of the total investments. This loan enables Vesteda to fund itself at attractive rates, which will improve the Internal Rate of Return for projects in affordable housing. The EIB loan meets our funding targets, as it increases the average maturity and improves the average cost of debt. It also further diversifies our funding structure with EIB as a reputable debt investor.

To ensure that debt investors have effective insight in Vesteda's credit profile, we continue to focus proactively on our debt investor relations through (virtual) roadshows ahead of bond issues and our (virtual) presence at conferences and seminars attended by debt investors. This will also enable us to quickly execute the above-mentioned bonds issuances, if needed.

As a green bond issuer, Vesteda is subject to the EU Taxonomy regulation. The EU is setting up the Taxonomy Regulation, which sets out criteria to determine if economic activities can be classified as environmentally sustainable. Financing that is raised for environmentally sustainable activities needs to comply with this regulation. For Vesteda's green financing, we make use of our green finance framework. Once the Taxonomy Regulation is finalised, we will need to review this Green Finance Framework and update it to make sure it complies with the EU Taxonomy Regulation. In addition, we will assess the impact on Vesteda's reporting.

Vesteda is in the process of amending its €700 million Revolving Facilities Agreement (RFA) to make it a sustainability-linked RFA. To do this, we will incorporate four KPIs in this facility agreement to incentivise Vesteda to improve its sustainability performance. If Vesteda meets the majority of these KPIs, it will be able to obtain a reduction in the interest margin. On the other hand, the interest margin will be increased if Vesteda fails to meet the majority of these KPIs.

The RFA matures in 2025, although one lender of €70 million plans to step out of the RFA in 2023. We started negotiations with new lenders to take on this €70 million participation, but given COVID-19, last year was not a good time to find a replacement for this lender. We expect to restart this process in 2021.

Our financing strategy is based on funding targets:

1. Leverage of ≤ 30%
2. Total fixed-rate and hedged floating rate exposure of ≥ 70%
3. Weighted average maturity of > four years
4. Diversified funding profile, with at least three funding sources of at least 10% individually
5. Sufficient liquidity headroom to refinance short-term debt (including maturing bonds and private placements), finance committed pipeline, and to accommodate redemption requests (Redemption Available Cash) according to the terms and conditions.
6. Well-balanced maturity calendar with < 35% maturing in a single year
7. Asset encumbrance of < 15%

At year-end 2020, we met all our funding targets.

Vesteda's average weighted maturity of debt was 4.9 years, above our long-term minimum target of four years. The average total debt interest rate improved to 1.9% in 2020 from 2.0% in 2019. The loan-to-value ratio stood at 23.3% at year-end 2020, compared with 23.1% at year-end 2019.

Vesteda's main financial covenants, as part of its financing agreements, are a maximum loan-to-value ratio of 50% and a minimum interest cover ratio of 2.0. We comfortably met all the financial covenants of our financing arrangements in 2020.

Vesteda's funding targets contribute to its robust, well-diversified and flexible funding structure. Within this funding structure, Vesteda is always looking to further optimise its average cost of debt by making use of different funding instruments at different maturities.

Debt portfolio at year-end 2020

Committed instrument	Size (€ million)	Drawn (€ million)	Weight	Maturity	Tenor
Green Bond 1.50%	500	500	26.1%	2027	6.4 yr
Bond 2.00%	500	500	26.1%	2026	5.5 yr
Bond 2.50%	300	300	15.6%	2022	1.8 yr
Syndicated RFA	700	0	0.0%	2025	4.4 yr
Pricoa USPP 1.8%	100	100	5.2%	2026	6.0 yr
Pricoa USPP 3.18%	100	100	5.2%	2021	0.4 yr
EMTN PP 1.93%	35	35	1.8%	2027	7.0 yr
EMTN PP 2.50%	65	65	3.4%	2032	12.0 yr
NYL USPP 1.03%	50	50	2.6%	2030	10.0 yr
AIG USPP 1.38%	50	50	2.6%	2035	15.0 yr
EIB facility*	150	0	0.0%	2030	10.0 yr
Total	2,550	1,700			

* Facility is to be used for affordable housing projects and to improve the sustainability of Vesteda's portfolio.

Uncommitted instrument	Size (€ million)	Drawn (€ million)	Weight	Tenor
SMBC Uncommitted Facility	200	8	0.4%	0.5 yr
Euro Commercial Paper programme	1,000	210	10.9%	0.1 yr
Total	1,200	218		

Notes to the results

Income statement

(€ million)	2020	2019
Theoretical rent	347	339
Loss of rent	(12)	(10)
Gross rental income	335	329
Service charges income	10	9
Revenues	345	338
Property operating expenses (excluding service charges)	(79)	(72)
Service charges	(15)	(14)
Net rental income	251	252
Result on property sales	7	13
Management expenses	(26)	(23)
Interest expenses (including amortisation of financing costs)	(41)	(40)
Realised result before tax	191	202
Unrealised result	276	653
Result before tax	467	855
Tax	(1)	(1)
Result after tax	466	854
Settlement pre-hedge contracts	1	(6)
Revaluation of Property Plant and Equipment (PPE)	-	1
Total comprehensive income	467	849

Gross rental income

The total theoretical rent increased by €8 million to €347 million in 2020. The average monthly rent increased to €1,016 at year-end 2020 from €986 at year-end 2019. The like-for-like rent was 2.7% in 2020, while the loss of rent increased to 3.4% in 2020 from 2.8% in 2019. Overall, this resulted in an increase in gross rental income of €6 million to €335 million in 2020.

Net rental income

Property operating expenses amounted to €79 million in 2020, €7 million higher than the €72 million recorded in 2019, due to the increased size of the portfolio, higher maintenance costs and non-recoverable service charges due to higher vacancy. Operating expenses, including non-recoverable charges, amounted to 24.9% of gross rental income in 2020 (2019: 23.3%). This resulted in a net rental income of €251 million in 2020, compared with €252 million in 2019.

Result on property sales

In 2020, Vesteda sold a total of 234 homes from its investment portfolio, consisting of 165 individual unit sales and two complex sales totalling 69 units. The net result on property sales amounted to €7 million (2019: €13 million).

Management expenses

Management expenses amounted to €26 million in 2020, €3 million more than the €23 million recorded in 2019. This was due to lower recharged acquisition expenses, lower recharged property sales expenses and higher IT costs in 2020. The Total Expense Ratio (TER) increased to 32 basis points over GAV in 2020, from 30 basis points over GAV in 2019.

Interest expenses

Interest expenses increased by €1 million to €41 million in 2020, mainly due to a higher average debt position. The average cost of debt declined to 1.9% in 2020 from 2.0% in 2019.

Interest expenses and EBITDA

(€ million, unless otherwise stated)	2020	2019
Interest expenses (excluding amortisation of financing costs)	39	37
Interest expenses (excluding amortisation of financing costs and IFRS 16)	34	34
EBITDA including result on property sales	235	243
EBITDA excluding result on property sales	228	230
Interest cover ratio*	6.7	6.8

* 2019 figure has been recalculated based on a refined EBITDA definition.

Realised result

Vesteda recorded a realised result of €191 million in 2020, compared with €202 million in 2019. The decline was mainly due to a lower result on property sales, higher management expenses and a slightly lower net rental income. The realised return as a percentage of time weighted average equity declined to 3.1% in 2020 from 3.6% in 2019.

Excluding the result on property sales, the realised result declined to €184 million in 2020 from €189 million in 2019. Excluding the return from property sales, the realised return came in at 3.0% in 2020, compared with 3.3% in 2019. This decline was largely due to the increased value of the portfolio.

Unrealised result

The COVID-19 pandemic led to lower revaluations on the Dutch housing market. The unrealised result amounted to €276 million in 2020, compared with €653 million in 2019.

Total comprehensive income

Vesteda's total comprehensive income declined to €467 million in 2020 from €849 million in 2019, primarily due to lower revaluation results in 2020. The total return on time-weighted average equity (ROE) was 7.6% in 2020 (2019: 14.9%), of which 3.1% was realised return (2019: 3.6%) and 4.5% was unrealised return (2019: 11.4%).

Statement of financial position

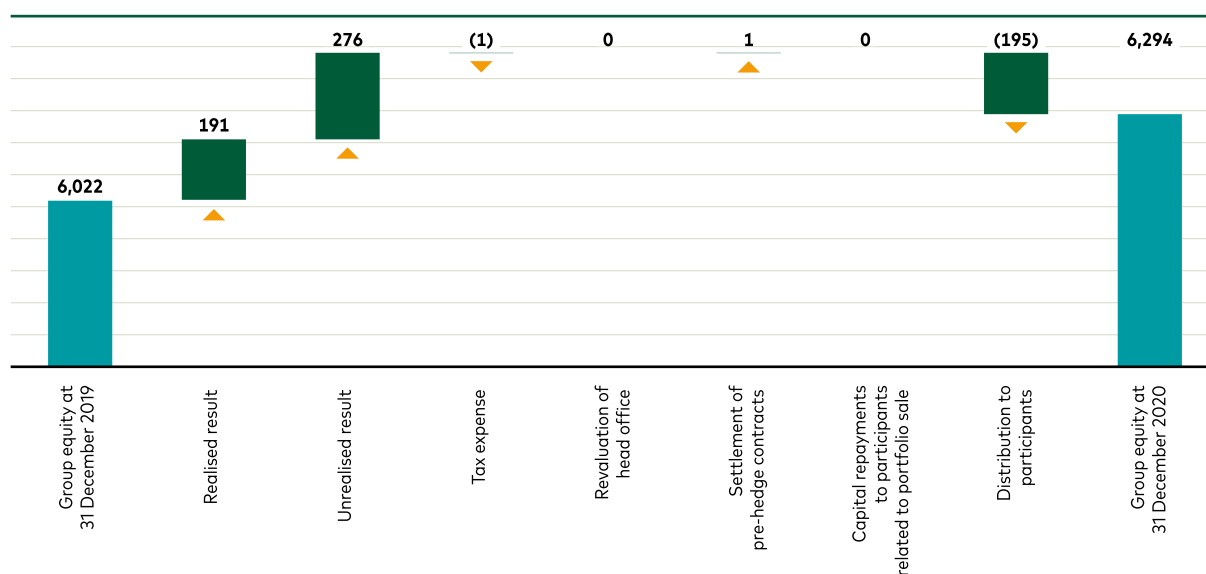
(€ million, unless otherwise stated)	31 December 2020	31 December 2019
Total assets	8,440	8,058
Equity	6,294	6,022
Net debt	1,916	1,825
Leverage ratio (% , excl. IFRS 16)	23.1	23.0

At year-end 2020, the leverage ratio excluding IFRS 16 was 23.1%. Including IFRS 16, the leverage ratio stood at 24.5% at year-end 2020 (year-end 2019: 24.3%).

Changes in equity

At 31 December 2020, group equity amounted to €6,294 million, compared with €6,022 million at 31 December 2019. The €272 million increase in equity was the balance of a realised result of €191 million, an unrealised result of €276 million, a €1 million income tax expense recognised in profit or loss, a €1 million settlement gain on pre-hedge contracts, and distributions to participants totalling €195 million.

Changes in equity (€ million)



Return on equity

(% of time weighted average equity)

	2020	2019
Realised return	3.1	3.6
- return from letting	3.0	3.3
- return from property sales	0.1	0.2
Unrealised return	4.5	11.4
Total return	7.6	15.0
Return from other comprehensive income	-	(0.1)
Total comprehensive return	7.6	14.9
Total comprehensive income in € per participation right (based on number of participations at year-end)	13.0	23.8
Proposed distribution over the financial year (% of time weighted average equity, excluding capital repayment related to portfolio sale)	3.0	3.3

Performance compared with MSCI

In 2020, Vesteda underperformed the MSCI IPD Netherlands Residential Benchmark by -1.4%. An outperformance on direct return of +0.2% was more than offset by an underperformance on capital growth of -1.7%. Lower capital growth was driven by lower yield compression. However, Vesteda's market rental growth was in line with that of the benchmark.²

² Direct return and capital growth might not add up to total return as a result of time-weighted averages on a monthly basis.

Vesteda Residential Fund versus MSCI residential benchmark

	2020	2019	2018	2017	2016	3 yr average	5 yr average
Direct return							
Vesteda Residential Fund	3.1	3.3	3.5	4.1	4.6	3.3	3.7
MSCI-benchmark	2.9	3.2	3.4	3.8	4.2	3.2	3.5
<i>Outperformance</i>	0.2	0.2	0.0	0.2	0.4	0.2	0.2
Capital growth							
Vesteda Residential Fund	3.5	9.2	15.9	13.5	10.6	9.4	10.3
MSCI-benchmark	5.3	10.1	14.7	12.6	10.5	10.0	10.6
<i>Outperformance</i>	(1.7)	(0.8)	1.0	0.8	0.0	(0.6)	(0.2)
Total return							
Vesteda Residential Fund	6.8	12.8	19.9	18.1	15.7	13.0	14.4
MSCI-benchmark	8.3	13.6	18.6	16.9	15.2	13.4	14.5
<i>Outperformance</i>	(1.4)	(0.7)	1.1	1.0	0.4	(0.4)	(0.0)

Non-financial figures

	31 December 2020	31 December 2019
Number of residential units	27,482	27,290
- multi-family	15,171	14,959
- single-family	12,311	12,331
Number of residential units inflow	426	817
Number of residential units outflow	234	1,336
- individual unit sales	165	219
- portfolio sales	-	1,117
- residential building sales	69	-
Occupancy rate (% of units)	97.5	98.4
Tenant satisfaction (rating out of 10)	7.1	6.9
Number of employees (FTE, at year-end)	217	194

For more information, please see the sections consolidated and company financial statements of this report.

Outlook and management agenda

The outlook for 2021

Our view: possible long-term impact on housing market

COVID-19 has had a major impact on both the economy and many aspects of people's lives. This section of our annual report glances ahead to the potential long-term effects of COVID-19. And although, looking even a few years ahead is challenging in the current situation, this is still helpful when planning for the future. For instance, some changes might be here to stay, while others could disappear over time as the impact of the virus declines. However, certain things are clear: COVID-19 appears to be more than 'a ripple in time' according to multiple sources, and the affordability of homes has only become more important.

Potential changes identified

The following figure provides an overview of possible changes in the demands of our (future) tenants in the short or long-term. Obviously, these changes are mainly related to the sharp increase in the number of people working from home and the fact that shops, museums, schools and other facilities were temporarily closed. As a result, people started to use and appreciate their home and their living environment differently.

Main subjects of change due to COVID-19



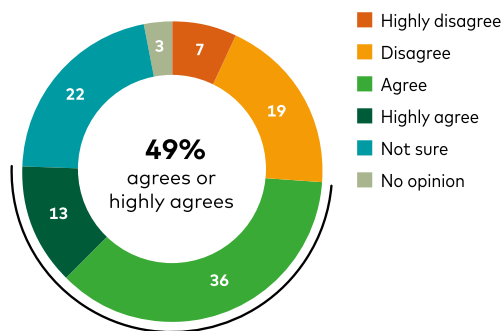
Source: Vesteda

The switch to working from home full-time created a steep rise in the use of remote working tools, which affects the Tech and Work quadrant in the figure above. The Mobility quadrant was affected by the fact that people travelled to work or meetings less, and were flexible in terms of working hours. With regards to the Health quadrant, a comfortable, spacious home and a healthy environment became more important. Most changes in the figure are directly or indirectly related to housing needs and wishes. We potentially see changes in the demand for:

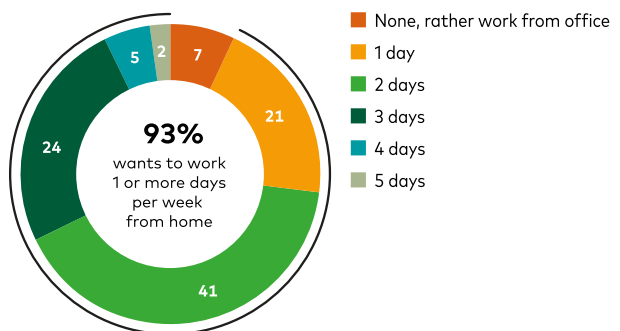
- Location: driven by changes in when and where people can work, make use of daily amenities and/or leisure activities.
- Product: driven by changes in how much time people spend in their home and working from home.

Willingness to work from home after COVID-19 (%)

Motivation poll



Vesteda poll

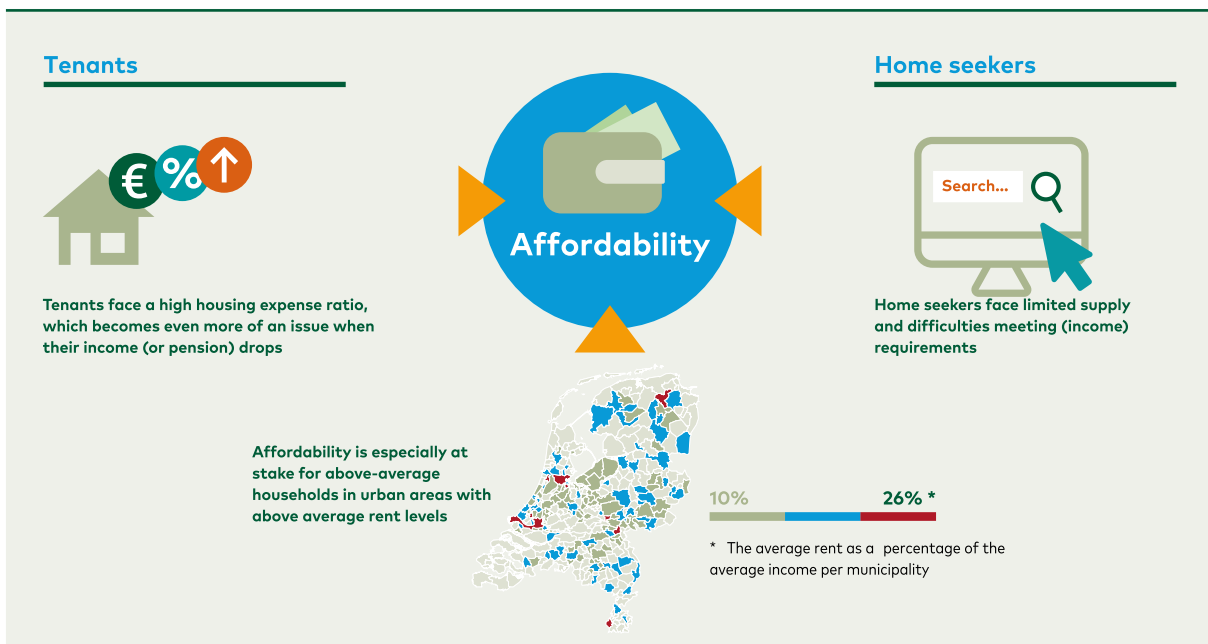


Source: Motivation, Vesteda

Affordability

Affordability continues to be an important topic in public debate and has perhaps become even more important in the light of COVID-19. For instance, despite the economic downturn and growing uncertainty, house prices continued to rise in 2020 and there is little sign that house prices will decline in 2021. The growing imbalance in the current housing stock, which is in turn affecting the affordability of homes, is not confined to the Netherlands, but is a global issue that is unlikely to be solved on the short-term.

The affordability problem has three parts. First, the housing expense ratio (the percentage of a household's gross monthly income devoted to housing expenses) for free market rental housing is relatively high. Secondly, the affordability problem is affecting people who do not (yet) live in a free market rental home but are looking for one. Their options are limited. Thirdly, affordability is a particularly local problem. In our view, affordability is not a nationwide issue, but a local issue due to the scarcity in attractive regions.



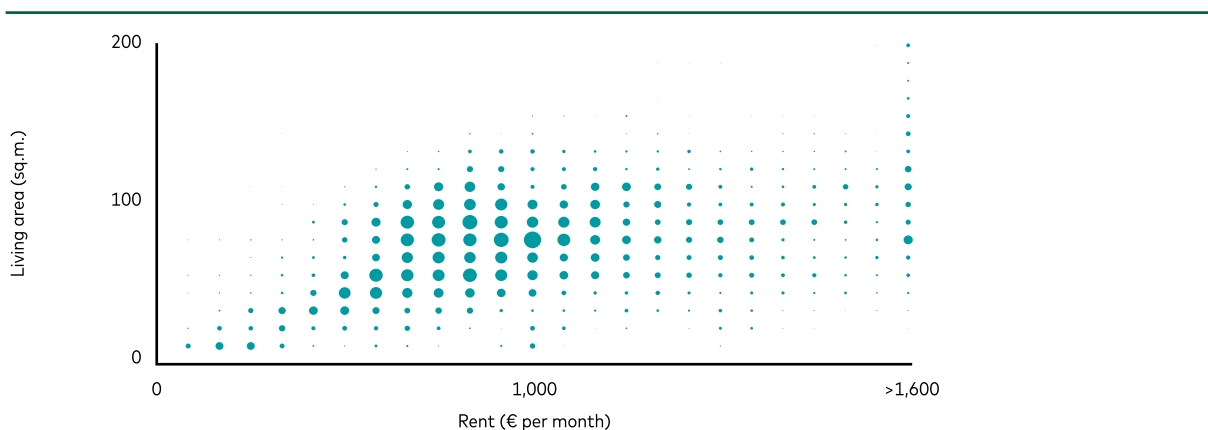
Source: IVBN/Calcasa Transactiemonitor, Statistics Netherlands, edited by Vesteda

Vesteda and affordability

We recognise that finding an affordable home is an increasing problem for middle-income households, especially for starters looking for a home in the most economically attractive and dense cities. Unemployment due to the economic downturn triggered by the COVID-19 outbreak has made this problem even more urgent. Affordability will continue to be a matter of concern and will remain in the (political) spotlight, especially in 2021, when there will be a national election in the Netherlands. There is a great deal of public and political pressure to implement regulatory measures. We believe the only way to resolve these shortages is to build more homes of good quality.

Furthermore, Vesteda wants to help middle-income households to find homes by allocating part of our portfolio and future acquisitions to this target group. We consider it our social responsibility to continue to provide high-quality and affordable housing. We expect the regulated mid-rental segment to become a growing asset class. Regulated rents are significantly lower than market rents, but this segment still offers opportunities. The regulated mid-market seems to match Vesteda’s investment profile: lower risk at attractive returns. Most importantly, it fits our target group: affordable homes for middle-income tenants. The figure below provides an indicative insight into the size of our units compared with the rental price.

Living area versus monthly rent in Vesteda portfolio (indicative)



Source: Vesteda

Management agenda 2021

Tenants

Annual tenant review 2020

We will once again publish an annual review for our tenants this year. The focus will be on a number of themes and will be summarised in a digital, illustrated and comprehensible overview. Tenants will be able to click through to a digital environment for more information on the chosen subjects.

Mapping the customer journey

We will continue to expand our knowledge of our target groups by adding in-depth profile knowledge. Feedback from our tenants combined with our in-house property management expertise enables us to continuously adapt and improve the mapping of the different customer journeys tenants go through with Vesteda. This outside-in perspective creates a solid feedback loop. It also makes us a self-learning organisation centred around our tenants' expectations and needs.

After sales

A message that clearly resonated through the annual tenant satisfaction survey was the need for after sales. We will explore how we can implement after sales in the various customer journeys tenants go through.

Customer service

We constantly focus on the availability and reachability of our customer service team. We noticed an increase in incoming calls over the past year. This is partly due to the effects of the implementation of the new ERP system, the new client portal My Vesteda and the insourcing of the property management of the Delta Lloyd portfolio. This increase was clearly reflected in the outcome of the Benchmark survey. We will therefore continue to explore possibilities of improving our overall availability and the service level for our tenants.

Affordability: calculation tool for (new) tenants

To encourage (future) tenants to take responsibility for their current and future financial situation, we will make use of the knowledge of the National Institute for Budget Information (Nibud). Nibud is a highly regarded organisation on financial budgeting data and advice. We will provide (future) tenants access to a calculation tool that can help them gain better insight into their total living expenses. The underlying data represents different households, which makes the tool a reliable source of information. We consider this a first step towards a deeper collaboration with Nibud to help make the cost of living more transparent and measurable for tenants.

Optimising dashboards and reporting

To provide the best customer experience, we need to know who our tenants are and what is important to them. Big data and data science developments offer us new ways of doing this. Gathering data is not a goal in itself, but advanced data analysis should help us to improve our tenant satisfaction. By analysing and sharing the results of our customer surveys and by making them easily accessible for all, we give our teams the insights they need to make improvements. The data will also become available in new dashboards for management purposes. This gives us the opportunity to optimise our knowledge about our complexes and to make better decisions.

Portfolio

Continued focus on improving the quality and sustainability of the portfolio

Our main objective is a mid-rental market portfolio in our selected primary regions, consisting of sustainable and future-proof, attractive, well-designed homes, tailored to specific target groups but flexible in terms of future use. This will enable us to continue to outperform the MSCI three-year IPD Dutch Residential Benchmark total return.

In our asset management process, we continuously identify opportunities for redevelopment and densification, or opportunities to optimise or add value to existing assets in our portfolio. We will develop data-driven models to support our decision-making in this regard.

Impact COVID-19

Since the severity of the pandemic became clear in March 2020, we made impact analyses for three scenarios, based on the views of the CPB and large banks, to assist us in our decision making. We will continue to update these scenarios and monitor the impact on the housing market in 2021.

We currently have sufficient scale to manage our portfolio effectively at an attractive cost level. Quality over volume was already a key criteria in our acquisition process for a number of years, and continues to be a key principle in our acquisition policy. We still expect to achieve growth by adding new projects to our pipeline in the coming years.

Amsterdam leasehold

The upcoming year we expect to finalise the decision regarding our response to the changes to the Amsterdam leasehold system. We are considering opting for perpetual leaseholds against the conditions that Amsterdam's city council is offering in this respect.

Affordability

The limited availability of affordable housing remains a challenge for middle-income households. We believe it is part of our responsibility to play an active role in addressing the affordability issue, for example by focusing on adding new homes for the mid-rental market and voluntarily capping the annual rent increase, as we have done in recent years. We take an active role in discussions with stakeholders, such as the IVBN and the government, and the public debate on this matter regarding increased government control over housing production and rent control measures, such as limits on initial rents and rental growth.

Acquisitions and property sales

In the third quarter, the Dutch government announced its plans to increase the Real Estate Transfer Tax (RETT) rate for residential investments to 8% from 2% as of 1 January 2021. This fuelled an increase in transaction volumes at high price levels in the second half of 2020.

The supply of new development locations remains limited. Making projects financially feasible and getting projects started is still challenging. The reasons for this include high construction costs and limited construction capacity, high land costs, high quality and sustainability requirements, rental regulation and challenges in communication and coordination between parties involved in the development process.

Increased regulation is a risk for Vesteda's existing portfolio. However, we also see this as an opportunity for new acquisitions. Therefore, Vesteda has conditionally embraced the regulated mid-rental segment in 2020 as a new investment category to provide middle-income tenants with affordable homes, while maintaining long-term value growth potential beyond the restrictive period. This ties in well with our social objectives and long-term investment horizon.

After large portfolio sales in 2018 and 2019, we do not foresee any residential portfolio sales in 2021, although our ongoing asset management process may lead to selective sales of individual assets from time to time.

We plan to add approximately 1,100 new homes to our pipeline in 2021. We handle development risks in a disciplined manner within the given frameworks. We explore investment opportunities earlier in the development process. This increases our influence on the quality and pricing of the developed product, as well as our access to the product. We will continue to actively seek and work on redevelopment opportunities within our existing portfolio, aimed at combining densification with renewal and improving the sustainability of our existing portfolio.

Participants

Vesteda strives to provide its participants with good returns, transparency and service. Participant satisfaction is one of our key performance indicators. We seek to continuously improve the dialogue with all our participants, and invest in establishing relationships with potential new participants.

A topic that has gained in importance in recent years is socially responsible investing. This prompted Vesteda to set ourselves clear and ambitious CSSR targets, including a target for the GRESB benchmark score. For more information, please see the [CSSR](#) section of this report.

Funding

We will continue with our strategy of diversifying our funding sources and improving our maturity profile, while maintaining low leverage and lowering our cost of debt and to make it more sustainable. To further strengthen our funding structure, we will continue to issue bonds and to explore other attractive longer-term funding opportunities. Our goal is to reduce our cost of debt and to use the proceeds to improve the sustainability of our portfolio. As a green bond issuer, Vesteda is subject to the EU Taxonomy Regulation. Vesteda will closely monitor the outcome of this Taxonomy implementation and its impact on Vesteda. We will then amend our Green Finance Framework, map out the impact on Vesteda's reporting and make any necessary changes.

Organisation & staff

In 2021, our ambition is to become a High Performing Organisation (HPO), which will require us to focus on those elements that will make us elevate and ultimately outperform peer group companies. We will do so by further optimising our newly implemented ERP system, while further upskilling on our customer focus and service orientation in the coming year. Furthermore, we aim to find new hybrid ways to work together and to further build an inclusive culture with a diverse workforce. To ensure we continue to attract and retain talent, to be seen as Employer of Choice, we will also review our remuneration policy.

Corporate Sustainability and Social Responsibility

To increase our ESG and health and well-being performance, we are aiming for another GRESB 5-star rating, which puts us among the best 20% of investors globally. Our focus is on climate change, mitigation and adaptation. Due to the changing climate, we are faced with increasing physical climate risks, such as heat stress, frequent droughts, extreme rainfall and rising water levels. We have analysed our existing portfolio with regard to specific location risks and on the acquisition front we are using the findings as part of our project evaluation.

We continue to implement our sustainability improvement strategy to ensure that in 2024 $\geq 99\%$ of our properties have green energy labels, and in 2021 we will align this with the new BENG standards. This is aimed at reducing greenhouse gas emissions and is a first step towards meeting the goals of the Paris Agreement. In 2021, we will continue our research into physical climate risks and look for opportunities to reduce the risks with sustainable investments that also have a positive impact on our tenants and other stakeholders. In 2030, we want to reduce our Carbon footprint by 49%, and in by 95% in 2050 compared with 1990.

Handy neighbours

This home truly makes me happy. This is the place I've been looking for all along. It feels like home and because I am renting I also feel completely free. What else can you ask for?

I've also been lucky with my neighbours. On one side, there is a divorced father with his 16-year old son, and on the other side is a young couple who both work. So it's always quiet during the week, although it can get a little noisier at the weekends. Another benefit is that both men are really handy, so if something needs fixing all I have to do is ask and they come and do it for me. The home was entirely ready to move in though, from laminate flooring to paintwork. All I had to do was bring my furniture in. And Vesteda also made sure the sign-up, viewing and transfer of the keys were easily arranged.

As far as I'm concerned, the slogan 'Feel at home with Vesteda' is no empty promise.

**'I feel at home here.
Thanks to Vesteda,
I have found my spot.'**

Report of the Supervisory Committee

Chairman's Statement

In previous years, I concluded my statement with a word of appreciation. This year I am breaking that tradition and start with a word of gratitude, on behalf of the Supervisory Committee, towards the company's Management Board, Management Team and all other employees for their hard work and resilience in 2020. Due to the COVID-19 crisis, last year was defined by unexpected challenges and the entire Vesteda organisation adapted quickly to the new reality, while also taking care of each other and Vesteda's tenants.

The year 2020 was a year to focus on adapting to changed circumstances during the COVID-19 pandemic. In previous years, Vesteda took measures to prepare for the future, by improving its organisation and optimising its portfolio in the midst of a tight market and the increasing regulation of the mid-rental segment. This helped improve Vesteda's day-to-day business, as set out below.

Having a strong and supportive investor base is particularly important in a year like 2020 and the expected aftermath of the COVID-19 crisis. We are pleased that a new participant has joined the fund and that all participants showed their trust and support by unanimously approving the Business Plan for 2021-2025.

Vesteda's portfolio strategy in recent years contributed to Vesteda's solid position in these challenging times. Last year, we devoted special attention to the acquisition strategy in the context of COVID-19. Vesteda continues to aim for quality above volume and looks for new projects with value growth potential. As part of this strategy, Vesteda managed to acquire a number of interesting projects, some of which were approved by the Supervisory Committee due to the transaction size. Vesteda also invested in its existing portfolio, by combining renewal and improvements to some buildings, while focusing on the implementation of sustainable solutions.

By the end of 2020, Vesteda was once again given a five-star rating in the annual Global Real Estate Benchmark (GRESB) survey. Although this was Vesteda's third consecutive five-star rating, the company is not taking this rating for granted and will continue and increase its commitment to improving the sustainability of its operations and its portfolio. The Supervisory Committee also plays a role in this, for instance by closely monitoring the sustainability aspects in the assessments of new acquisitions and by linking the management performance targets to Vesteda's sustainability goals.

Over the past two years, numerous Vesteda employees were involved in the preparations for the implementation of the new ERP system. Although the transition was not without setbacks, the Supervisory Committee is pleased that the ERP system went live last year. With this new ERP system, Vesteda achieved its targeted technological progress, which provides the company with a solid basis for further process improvements and efficiencies. We will continue to monitor this throughout 2021.

Last year's volatility in the financial markets underlined how important it is to have a robust and well-diversified, flexible funding structure. In 2020, Vesteda extended its revolving credit facility, signed its first green private placement and signed a financing agreement with the European Investment Bank (EIB). Vesteda will use the funds from the EIB to improve the energy efficiency of homes in its existing portfolio and for the acquisition of new affordable and sustainable residential buildings. Vesteda will also use this financing to acquire homes in the regulated mid-market rental segment.

In 2020, Mr. Vervoort was, at the recommendation of the Supervisory Committee, re-appointed as CFO. The composition of the Supervisory Committee remained unchanged in 2020. At all times, the members of the Supervisory Committee were able to operate independently and critically, towards each other, as well as towards the Management Board and the Management Team. There were no conflicts of interest in 2020.

I would like to thank my fellow Supervisory Committee members for their dedication last year. On behalf of all of them, I conclude by wishing the company's Management Board, Management Team and all other Vesteda employees good health, an ongoing positive business approach and continued success in these unprecedented times.

Jaap Blokhuis, Chairman of the Supervisory Committee

Supervisory Committee

Focal points

The main task of the Supervisory Committee is to supervise the management carried out by the Manager and the general course of the fund's business, as described in more detail in the [Governance and risk management](#) section of this report.

Last year, the Supervisory Committee and its separate committees discussed a range of topics. The separate committees regularly convened and reported back on their activities to the full Supervisory Committee. The following topics will be set out in more detail below:

- COVID-19
- ERP implementation
- Funding
- Financing and reporting
- Organisation

Meetings and attendance record

The Supervisory Committee comprises Mr. Jaap Blokhuis (Chairman), Mr. Hans Copier, Mrs. Seada van den Herik, Mr. Theo Eysink and Mrs. Eva Klein Schiphorst, all of whom are deemed independent in the sense described in the Supervisory Committee's by-laws.

In 2020, the Supervisory Committee met 11 times, either in person or via Teams meetings. The Management Board and (members of) the Management Team attended most of these meetings. The Supervisory Committee met twice in the absence of the Management Board. In addition, the Supervisory Committee met in the absence of the Management Board ahead of regular scheduled meetings. The Nomination and Remuneration Committee met twice with the Works Council.

Below you will find an overview of the attendance record per member of the Supervisory Committee^{3 4}:

Overview of attendance record Supervisory Committee

Name	Supervisory Committee	Audit Committee	Nomination & Remuneration Committee
Jaap Blokhuis	9/9	n.a.	n.a.
Hans Copier	9/9	6/6	n.a.
Seada van den Herik	8/9	n.a.	5/5
Theo Eysink	9/9	6/6	n.a.
Eva Klein Schiphorst	9/9	n.a.	5/5

The activities of the Supervisory Committee and its separate committees in 2020 are summarised in the following schedule:

³ Attendance is expressed as the number of meetings (including Teams meetings) attended out of the number of meetings the members were eligible to attend. In the event of absence, the members discussed the topics in advance and provided powers of attorney.

⁴ Two additional Supervisory Committee meetings took place dedicated to the impact of COVID-19 on business processes; both meetings were attended by four members of the Supervisory Committee.

Supervisory Committee activities 2020 (including committees)

Q1	Q2	Q3	Q4
• Compliance, Risk and Internal Audit	• Compliance, Risk and Internal Audit	• Compliance, Risk and Internal Audit	• Compliance, Risk and Internal Audit
• Q4 2019 report	• Q1 2020 report	• Q2 2020 report	• Q3 2020 report
• COVID-19 update	• COVID-19 update	• COVID-19 update	• COVID-19 update
• Investment proposals	• Investment proposals	• Investment proposals	• Investment proposals
• Update ERP	• Go-live ERP	• ERP implementation update	• ERP implementation update
• Report external auditor 2019	• Acquisition strategy in times of COVID-19	• Audit plan external auditor	• Cyber security
• ISAE report 2019	• Internal Audit report Portfolio Strategy	• MSCI benchmark	• Risk management results
• Investment Property Report 2019	• Internal Audit report Information Security Policy	• New job evaluation method Korn Ferry	• Business Plan 2021-2025
• Financial statements, annual report and allocation of net income 2019	• Information security policy	• Succession planning	• Re-appointment Mr. Vervoort as CFO
• Internal Audit plan 2020	• Moderation annual rent increase 2020		• Appointment CIO and COO
• Tax update external advisor	• Green private placements		• New job evaluation method Korn Ferry
• The extension of the revolving credit facility	• European Investment Bank financing		
• Update treasury guidelines	• Extension of the revolving credit facility		
• Amendment Terms & Conditions	• Re-assessment CFO profile		
• Buying off ground lease Amsterdam	• 360 degree feedback Management Board		
• New job evaluation method Korn Ferry	• Benchmark remuneration Management Board and Management Team		
• Targets and bonus Management Board and Management Team			

You will find additional information on the role and functioning of the Supervisory Committee and its committees in the Corporate Governance section of this report.

COVID-19

From the start of the outbreak of the COVID-19 virus, management regularly convened with the Supervisory Committee and reported back on the impact on Vesteda's business. In addition to the regular Supervisory Committee meetings, the management held several separate COVID-19 meetings to discuss the latest developments with the Supervisory Committee.

From the outset, Vesteda took measures, at its offices and in the field, to ensure the health of Vesteda employees and its tenants. A few years ago, Vesteda invested in a proper IT cloud environment. For this reason, the company was able to arrange the switch to working from home quickly and efficiently. Management also informed the Supervisory Committee regarding the opportunities that this created, such as experiments with online inspections and the handover of keys. This required a fair amount of adjustment from both Vesteda employees and its tenants, but did not cause any material issues.

Vesteda translated government policy into specific measures for tenants, employees and suppliers. Vesteda also supported tenants in financial difficulties with tailor-made solutions, including customised payment arrangements. The management reported to the Supervisory Committee on the objective considerations that were taken into account when offering financial support to tenants. Vesteda approached the tenants of commercial spaces proactively to enquire about possible financial difficulties due to COVID-19. The Supervisory Committee considers this procedure in line with Vesteda's duty of care.

COVID-19 also prompted an extensive discussion about Vesteda's acquisition strategy and current acquisition pipeline. The impact of COVID-19 on current projects turned out to be modest. The Supervisory Committee discussed Vesteda's acquisition principles and support the management's position on proceeding with the acquisition of new projects during the time of COVID-19 and the recovery period thereafter. However, the company may need to take more time before reaching final decisions and may need to increase its focus on the redevelopment of projects in its existing portfolio. The Supervisory Committee also supports the management's focus on the regulated mid-market rental segment.

Through monthly reports, the Supervisory Committee devoted special attention to vacancy rates and rent arrears, which rose slightly in 2020 due to COVID-19. In addition, the Supervisory Committee closely monitored the developments with regard to the possible impact of COVID-19 on the Dutch housing market in general. The monthly reports showed that the higher segment homes in Vesteda's portfolio are more challenging to rent out and will therefore require special attention in 2021.

ERP implementation

In June 2020, after approximately two and a half years of preparation, the new ERP system went live, simultaneously with a new website and a new rental portal. The aim of the new ERP system is to optimise and align internal processes, replacing various outdated and stand-alone systems. The Supervisory Committee has closely monitored the implementation and will continue to monitor whether the projected benefits are achieved in 2021.

The Management Board and Management Team informed the Supervisory Committee regularly regarding the progress of the implementation process. The management has indicated that it is taking time for employees to get accustomed to the new system. The training options for employees and the aftercare of the system were hampered by the partial COVID-19 lockdown. In addition, due in part to the insourcing of the property management activities of the former Delta Lloyd portfolio into Vesteda's own organisation, there was a delay in invoice processing. Irrespective of these operational hiccups, the management and the Supervisory Committee look back on a successful go-live process and are looking forward to the benefits the ERP system will provide, such as the use of data.

Funding

After the successful issuance of a Euro Green Bond in 2019, Vesteda took further steps towards the establishment of a sustainable funding structure. The Supervisory Committee is pleased with this development; Vesteda's ESG efforts are not being overlooked in the financial markets and it will help attract further interesting investment opportunities in the future.

As set out in the Business Plan 2020-2024 and discussed with the Audit Committee, Vesteda arranged a green private placement in October 2020. The plan was to arrange this placement in the beginning of the year, but due to the unfavourable market conditions in the first half of 2020 as a result of the COVID-19 pandemic, this plan was postponed in consultation with the Audit Committee. Vesteda drew under the facility at the end of 2020.

As also announced in the Business Plan 2020-2024, Vesteda sought to obtain financing from the European Investment Bank. Vesteda started this process two years ago, under the supervision of the Audit Committee, and successfully finalised the process in late 2020.

Finance and reporting

In early 2020, the Supervisory Committee discussed the preliminary results for 2019 and audit matters with the external auditor (Deloitte). The committee discussed the 2019 financial statements and the 2019 annual report in the presence of the Internal Auditor, who indicated that the audit process went well.

The Supervisory Committee discussed the fund's performance versus budget on a quarterly basis. The first quarter of the year started with outperformance compared with 2019 and the budget. The following quarters showed a slight underperformance compared with budget, due to lower revaluations than expected, lower rental income due to a delayed inflow of projects and slightly higher vacancy and management costs than budgeted.

Organisation

The composition of the Supervisory Committee remained unchanged in 2020. At Management Board level, Mr. Vervoort was reappointed as CFO for a period of four years. The Nomination and Remuneration Committee followed a structured process to arrive at its recommendation and assessed Mr. Vervoort's performance, reviewed the CFO profile, benchmarked the remuneration package and assessed the composition of the Management Board as a whole. As a result, the Supervisory Committee resolved unanimously, at the recommendation of the Nomination and Remuneration Committee and the endorsement of the CEO, to propose the reappointment. Vesteda's extraordinary meeting of participants unanimously approved the reappointment, reconfirming their confidence in Vesteda's management.

One of the Supervisory Committee's recurring tasks is determining the bonuses of the Management Board and the Management Team and setting targets for the year ahead. In terms of the 2019 bonuses, the Supervisory Committee focused on ensuring a balanced remuneration for all relevant positions eligible for the bonus schemes. With regards to the 2019 targets, the Supervisory Committee decided to maintain the structure of 2019 for 2020. This is strongly linked to Vesteda's broad set of KPIs as set out in de Business Plan and gives the Supervisory Committee more discretion in assessing qualitative targets.

The Supervisory Committee determined the individual variable bonus of the Management Board and the Management Team. The Management Board declined, on their own initiative, the pay-out of the variable bonus for 2019 in light of their sense of social responsibility during the COVID-19 pandemic. For this reason, the Supervisory Committee decided not to pay out the Management Board's variable bonus for 2019.

The Supervisory Committee was consulted regarding (re)appointments and changes within the Management Team: the Operations Director appointed to Chief Operations Officer and the Acquisitions Director appointed to Chief Investment Officer. The HR Manager was appointed as HR Director and joined the Management Team.

In light of its 'permanent education', the Supervisory Committee members individually attended courses on topics such as change and turnaround management, IFRS and good governance during the COVID-19 outbreak. Jointly, the Supervisory Committee members attended Vesteda's permanent education day, which included subjects as IT migration and data science.

The Supervisory Committee conducted a self-assessment, facilitated by a third party. The focus of this assessment was on the various types of personalities within the Supervisory Committee and how these personalities, each in their own way, contribute to the functioning of the Supervisory Committee and interact with management.

Miscellaneous

The members of the Supervisory Committee held meetings in the absence of management, including meetings with the Internal Auditor and the external auditor. On various occasions, individual members of the Supervisory Committee met with senior officers of Vesteda to gain information on ongoing matters.

The Supervisory Committee approved several investment proposals, such as Tetem III in Enschede, Goudshof in Gouda and Regent II in The Hague. In light of these proposals, the Supervisory Committee discussed, amongst other things, sustainability measures, assumptions of rental income in light of COVID-19 and quality standards. In the course of the year, several members of the Supervisory Committee also visited potential project sites, to get a good impression of the location.

The Management Board engaged the Supervisory Committee early on in setting out the strategy in the Business Plan 2021-2025. Vesteda held a separate Business Plan meeting between, among others, the Management Board and the Supervisory Committee, in which they discussed the strategy for realising long-term value. The Supervisory Committee focused on, among other things, investments, including the option to buy off the Amsterdam ground lease payments in perpetuity in 2021, the evolution of management expenses, and the funding and leverage targets for the coming years.

In 2020, Vesteda voluntarily moderated its annual rent increase for its liberalised rental contracts to CPI plus 1% in 2020. In addition, Vesteda excluded income-related rent increases from almost all of its government-regulated rental contracts and capped the 2020 rent increase for the regulated segment at CPI only. The Supervisory Committee had to approve this, as it was a deviation from the Business Plan 2020. Last year, both local and national Dutch authorities introduced a number of new regulations, such as the regulation of rents in new developments, changes in the WWS (rental value of residential property) and a proposed maximum annual rent increase. Vesteda is actively involved in this debate, also via the IVBN. Vesteda's role in this debate is continuously discussed with the Supervisory Committee.

In March 2020, the participants approved the amendment of the fund's Terms and Conditions. Prior to this approval, Vesteda held a round of consultations with the participants during the informal Participants' meeting in September 2019. The Supervisory Committee was consulted in the preparation of the proposed amendments.

The Management Board informed the Supervisory Committee about actual or suspected instances of material misconduct within the company, inter alia, through the quarterly compliance update. The Supervisory Committee expressed its appreciation for the transparency throughout the year.

Audit Committee

The Audit Committee consists of Mr. Eysink (Chairman) and Mr. Copier. The Committee met six times in the year under review. Generally, the CFO, the CEO, the Internal Auditor, the Company Secretary and the external auditor also attended these meetings. Mr. Blokhuis attended several meetings as observer.

In line with its tasks, the Audit Committee discussed in detail the periodic financial statements and the 2019 annual financial statements and annual report. The Audit Committee discussed the audit process, preliminary and key audit findings and principal assumptions, judgements and valuations, and the external auditor reported its preliminary and final audit findings. As part of the yearly audit process, the external auditor presented the Audit Committee with its findings in light of the ISAE 3402. The Audit Committee was pleased to learn that the external auditor issued an unqualified opinion in this respect. The external auditor discussed with the Audit Committee the scope and materiality of the external audit plan.

Each quarter, the Internal Auditor reported to the Audit Committee on their deliberations and findings regarding internal risk management and controls. In addition, the Internal Auditor presented various material internal audit investigations that took place in 2020, such as a review of the information security policy, which was implemented in 2019, and an investigation into subcontracting to third parties. The Audit Committee reviewed the conclusions and discussed follow-up actions with the Internal Auditor and management.

Furthermore, the Audit Committee reviewed the Internal Audit plan and supported the proposal on an additional staff member for the Internal Audit team. In this context, the general role of the Internal Auditor and the 'three lines model', as described in more detail in the Risk management section of this report, was discussed extensively. The Audit Committee recognises the model, including the role of the Internal Audit function in providing clarity and confidence on progress toward the achievement of objectives. However, the Audit Committee underlines the importance of Vesteda's Internal Audit function in continuing to provide assurance while maintaining objectivity and independence.

The Chairman of the Audit Committee met and spoke with the external auditor on several occasions in the absence of the Management Board, to remain directly informed. In addition, the discussions during the Audit Committee meetings covered matters related to the ERP implementation and ground leases. On several occasions, the committee discussed the scope and progress of the project.

Two subjects that were discussed extensively in 2020 were the buying off of the ground leases in Amsterdam and the increased transfer tax as from 1 January 2021. With regard to the buy-off, the Audit Committee asked questions about the impact on the valuation of the portfolio, which is still difficult to assess as there have not been many market transactions that could serve as references for the market impact. As for the proposed transfer tax increase, the committee also devoted considerable attention to the potential impact on the valuation of the portfolio. The increase in the transfer tax rate to 8% from 2% is expected to have a negative impact on revaluations and therefore also the unrealised result. The Audit Committee will closely monitor the developments on this front in 2021.

The Audit Committee also discussed other topics within its purview, including risk management and an annual update on Vesteda's tax framework by Vesteda's tax advisor, PwC. Management kept the Audit Committee up to speed with regards to the changes that were made to the set-up of the risk management framework, as described in more detail in the Risk management section of this report. The Audit Committee is of the opinion that the changes made reflect a pragmatic approach to risk management, that focuses on the right topics at the right corporate levels.

In 2020, Vesteda reorganised the Finance & Control department and the support functions within the operations department. This reorganisation resulted, among other things, in the formation of a Shared Service Centre, in which financial and business support activities are concentrated. Following the implementation of this new Shared Service Centre, Vesteda is also focusing on a transformation to a High Performing Financial Function (HPFF). Management updated the Audit Committee on the developments throughout the process.

During the year, the Audit Committee also monitored and discussed Vesteda's debt funding strategy, as set out in more detail in the Funding section of this report. In addition, the Audit Committee discussed and provided the Supervisory Committee with positive recommendations on the following funding subjects:

- The extension of the revolving credit facility by one year
- Green private placement
- Finance contract with the European Investment Bank

The Audit Committee reviewed the fund's financial reports on a quarterly basis. In doing so, the Audit Committee asked the Management Board to provide full insight into its financials, including the impact of COVID-19.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NR Committee) consists of Mrs. Van den Herik and Mrs. Klein Schiphorst. The Committee met five times in the year under review. Generally, the CFO, the CEO, the HR Director and the Corporate Secretary also attended these meetings. Mr. Blokhuis attended several meetings as an observer.

As part of its annually recurring tasks, the NR Committee discussed the outcome of the Management targets for 2019 and the targets for the Management Board and Management Team for 2020, in line with the target structure that was set up in 2019. The NR Committee monitored the progress towards meeting these targets throughout the year on a quarterly basis.

The NR Committee devoted specific attention to succession planning and a proposed update of the company's job profiles and salary scales. The latter requires management to develop a strategic view on the principles, pay equity, total compensation, benchmarking, etc. to combine all of these elements to build a new scheme that is in line with the company's strategy and adds business value by driving and optimising the employee value proposition. The NR Committee had a separate meeting to discuss this topic, the defined principles and the pros and cons of the proposed new scheme. Management will continue to work on this project in 2021, under the supervision of the NR Committee.

The NR Committee engaged an external party to conduct a benchmark study of the remuneration of the Management Board and the Management Team. The research indicated that the remuneration of the Management Board and the Management Team is in line with the benchmark.

In 2020, the NR Committee was involved in several (re)appointments and changes within the Management Team; the HR Manager was appointed as HR Director and joined the Management Team and the Operations Director and Acquisitions Director were respectively appointed as Chief Operations Officer and Chief Investment Officer.

As Mr. Vervoort's first term expired in November, the NR Committee reassessed the performance of Mr. Vervoort against an updated CFO profile, benchmarked the remuneration package and assessed the composition of the Management Board as a whole. The NR Committee reported its findings to the Supervisory Committee, which resulted in the Supervisory Committee recommending the reappointment of Mr. Vervoort. The participants unanimously reappointed Mr. Vervoort as CFO.

Part of the standing agenda of the NR Committee meetings was a compliance update, focusing on reported integrity incidents and follow up, plus compliance with regulatory requirements. The CEO and HR Director periodically updated the NR Committee on their meetings with the Works Council. Also, the NR Committee met twice with the Works Council in person. In addition, the NR Committee devoted special attention to the impact of COVID-19 on employee well-being. The NR Committee pointed out that management should ensure that the company maintains its connection with its employees in these times, when working from home is the norm. At the end of the year, the NR Committee was informed of management's considerations for deciding to refrain from indexing the salaries in 2021.

As it did the previous year, the NR Committee conducted 360-degree feedback reviews on the CEO and the CFO by interviewing 13 direct reports. At the recommendation of the NR Committee, the Management Board also conducted 360-degree feedback reviews on the COO, CIO and HR Director.

Meeting of Participants

Vesteda convened two regular Participants' Meetings in the year under review. These included the annual meeting in April, in which the financial statements and the annual report were discussed and adopted, and the execution of the Business Plan was evaluated. In addition, the annual meeting in April appointed a new management board for Stichting Administratiekantoor Vesteda, which operates independently of Vesteda. In the bi-annual meeting in December, the participants discussed and approved the Business Plan 2021-2025.

Furthermore, Vesteda convened one extraordinary Participants' Meeting to agree on a number of amendments to its Terms and Conditions. During the extraordinary Participants' Meeting, the participants approved the amendments to the Terms and Conditions.

In addition, participants attended the annual informal Participants' Day in September, during which they were informed about the increase in transfer tax, the potential long-term effects of COVID-19 on the housing market, and Vesteda's acquisition policy during the COVID-19 pandemic and beyond. The Sustainability Manager also gave a presentation on climate change and the impact on Vesteda, while the CFO shared some insights into the new Business Plan.

Amsterdam, 17 March 2021

Supervisory Committee

Jaap Blokhuis, Chairman

Hans Copier

Seada van den Herik

Theo Eysink

Eva Klein Schiphorst

Corporate Sustainability and Social Responsibility

General

Vesteda sees Corporate Sustainability and Social Responsibility (CSSR) as vitally important for the long-term value development of our portfolio, our organisation as a whole and the society in which we operate. We believe that our efforts in the field of CSSR improve and strengthen Vesteda, both directly and indirectly, that they result in future-proof returns on our investments, and that they help us to create value for all our stakeholders. Our CSSR targets are an integral part of our Business Plan and are therefore firmly embedded in our business operations. Our sustainability programme manager is responsible for the strategic planning and implementation of our CSSR policies.

To shape our CSSR strategy, we use the three pillars of the ESG model: Environmental, Social and Governance. We have defined five strategic projects in the context of these pillars: Reduce resource consumption of tenants and common areas, Portfolio Sustainability Improvements, Engage Stakeholders, Implement Health & Well-being and Achieve a GRESB five-star rating.

Environmental – Improve sustainable performance

As a fund, we seek to constantly improve our performance in the field of sustainability. We believe that this helps us safeguard the attractiveness of the fund and optimise our long-term risk return ratio. Our objective is to reduce our consumption of energy and water, and cut CO₂ emissions as much as possible. We also aim to use materials that have no harmful effect on the environment, and we want to work with business partners who share our own high standards in terms of sustainability.

Strategic project: portfolio sustainability improvement

In 2015, Vesteda's participants approved a plan to improve the energy performance of Vesteda's buildings. Our ambition for the future is to have green energy labels (A, B or C) for 99% of our portfolio by 2024. The technical state of city centre buildings and historical buildings, as well as local government regulations, make it nearly impossible to achieve 100% green labels by 2024.

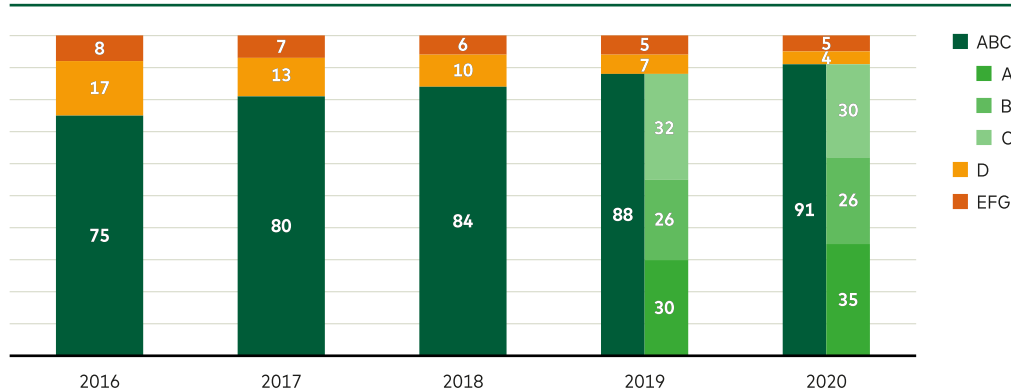
In 2020, we invested €6.8 million and improved the energy performance of at least 2,756 residential units. Since 2016, we have invested a total of €27.4 million on energy performance measures.

- The percentage of homes in our portfolio with a green energy label (A, B, or C) increased to 91.1% in 2020, from 87.8% in the prior year.
- The percentage of homes with an D label declined to 4.3%, from 6.7% the previous year.
- The percentage of homes with an E label or lower class label declined to 4.6%, from 5.5% the previous year.

Portfolio Strategy is responsible for the progress in and monitoring of our energy labels. The labels are updated according to energy-related measures and based on expiry dates (10 years). An overview is provided each quarter and reported to the Operations department. These reports are used to monitor the progress made during the quarter and enable us to assess whether the progress made is in line with our targets for the year.

Vesteda continues to invest in the improvement in the energy labels of the homes in our portfolio that do not yet meet our energy performance target. The ambitious package of improvements includes building insulation, the replacement of installations with energy-efficient variants and the generation of sustainable energy through the placement of solar panels. We aim to realise the improvements on a building-by-building basis and in phases through 2024.

Energy labels development 2016-2020 (%)



Overview of energy performance measures

In 2020, Vesteda introduced the following measures to improve the energy performance of the homes in our portfolio:

Measure (number of properties, unless otherwise stated)	2020	2019	2018	2017	2016
High efficiency boilers	781	509	822	1,010	1,564
DC ventilators	609	19	1,670	481	731
High efficiency glazing	507	662	442	891	439
Roof insulation	201	141	24	-	273
Cavity-wall insulation	324	-	318	64	87
Under-floor insulation	289	-	92	23	21
LED lighting (complexes)	11	9	13	5	2
Solar panels (complexes)	10	19	2	2	3

In 2020, Vesteda installed 2,531 solar panels in a total of 10 complexes. At year-end 2020, Vesteda had installed a total of 11,125 solar panels in its portfolio, generating approximately 2.7 million kWh annually.

Healthy and safe homes

Our aim is to provide our tenants with safe and healthy homes. A safe and healthy home is just as important as a pleasant home and living environment. This implies that our homes are free of high-risk asbestos, that central heating boilers are checked regularly, lifts are checked regularly, that combined heat and power installations are provided with new filters if necessary. In addition to this, Vesteda has drawn up risk maps for every residential building. Although these measures are of a more technical nature, their impact can have a positive impact on the lives and well-being of our tenants. We also try to educate tenants, for example on how they can prevent legionella or how they can prevent burglaries. To ensure the health and safety of our homes as effectively as possible, we have taken a number of precautionary measures that are monitored or executed by our Operations department. These measures are described below.

Asbestos

Up until 1994, the use of materials containing asbestos was common in the construction industry. Despite the fact that there is no legal obligation for asbestos-related inspections, beyond roofs and in the event of any plans for demolition or renovation work, Vesteda has conducted asbestos inspections at all complexes in its portfolio. If any asbestos or any signs of asbestos were found during these inspections, Vesteda took appropriate action, including clean-ups and providing information for tenants and third parties.

Asbestos inspections

(% of total complexes)	Status at year-end 2020	Status at year-end 2019
No inspection necessary based on construction year	47%	40%
Inspected	53%	52%
To be inspected	0%	8%

Central heating installations

We see timely maintenance as highly important, also from a preventive point of view, to ensure that all our individual central heating installations work properly and are safe. We aim to inspect all central heating installations once every two years. For open combustion devices, we aim for an inspection every 18 months.

In 2020, we contracted new inspection partners, replacing one underperforming partner, and improved the quality and efficiency of the inspections. Over the course of two years, 65% of the central heating systems were inspected.

Combined heat and power installations

The same applies to combined heat and power installations. Here, too, we set our own goal to inspect the installations every two years and place new filters, if this is necessary. In 2020, 52% of the installations were inspected. The remaining installations will be inspected in 2021.

Lifts

Legislation stipulates that lifts must be inspected and certified once every 18 months. Vesteda has a contract with a certified lift inspection firm, which conducts periodic inspections and issues inspection reports. Since 2016, 376 lifts were approved of a total of 398 lifts. A total of 22 lifts were scheduled for re-inspection after the first inspection.

Vesteda engaged a Dutch specialist firm in the field of lift safety. This company tests the operation of the emergency audio connection in our lifts every three days. In 2020, 261 lifts with emergency audio connection units were inspected and tested.

Risk map

Vesteda uses an internal risk map to identify potential risks in our complexes. Each complex is assessed on the basis of this risk map at least once every three years. The subjects covered in this map include, presence of asbestos, concrete gallery floors, Manta and/or Kwaaitaal concrete floors, presence of lead water pipes, as well as fire safety. Based on new insights, components are added to the risk map to ensure that at portfolio level there is a comprehensive overview of risks in complexes and therefore inspections and maintenance can be carried out.

Fire safety

In 2020, Vesteda had a total of 94 complexes surveyed for fire safety by an organisation specialised in building safety and regulations. Out of the 94 complexes, four were Vesteda's own regional offices. These four offices are excluded from the outcome of the survey. We incorporated the outcome of surveys in the maintenance plans and the maintenance budgets for those complexes. This survey was additional to Vesteda's annual fire safety maintenance and checks. This includes annual visual inspections of fire extinguishing equipment, water pipes and emergency lighting. On top of this, we pressure test the dry risers every five years. In 2020, we carried out 96% of the planned fire safety maintenance and checks, compared with 83% in 2019.

Sustainability in the chain

Since 2016, we have asked all our largest suppliers to sign the IVBN sustainability declaration for suppliers. We use the term suppliers for parties that have a contract with our Operations department and that deliver goods and services that have an impact on one or more of our buildings. By signing the IVBN sustainability declaration, our suppliers endorse IVBN's vision on sustainability and corporate social responsibility and declare that they will act in accordance with same.

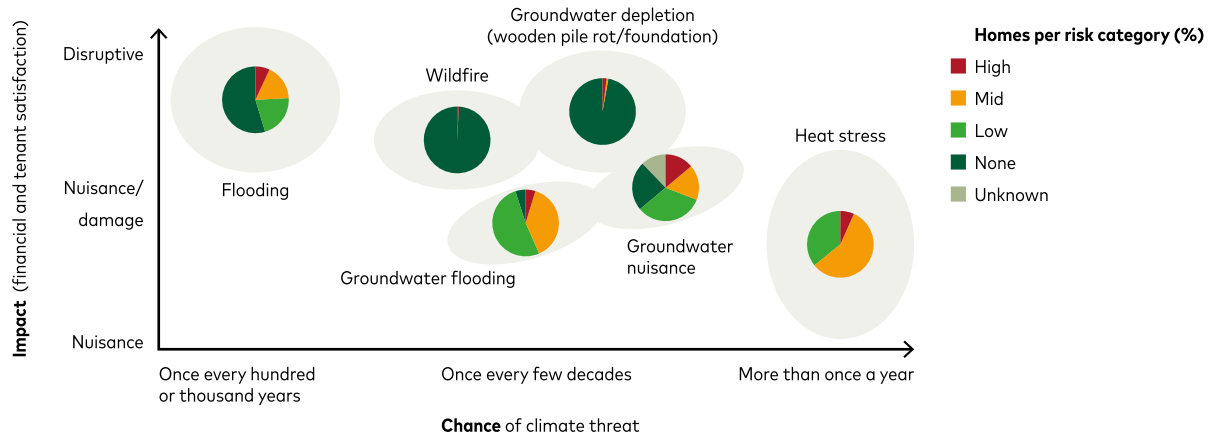
In 2019, Vesteda's decided to make the IVBN sustainability declaration an integral part of the tender process for new (master) service agreements. This led to a significant increase in the number of signed declarations. A total of 171 suppliers have so far signed the declaration. In 2020, a total of nine suppliers were added to this number. These suppliers represent 88% of the activities that our Operations department outsourced in 2020. Vesteda's goal was to achieve a minimum of 87%.

Now that we have embedded the sustainability declaration in our processes, the next step will be to improve our influence and impact. A first step is the roll-out of a sustainability scan with questions on policies, targets and results. This will give us a sustainability score per supplier, which will enable us to start a constructive dialogue with suppliers to achieve improvements.

Physical climate risks

Due to the changing climate, we are faced with physical climate risks such as heat stress, frequent droughts, extreme rainfall and rising water levels. We have analysed our existing portfolio with regard to specific location risks and we will add specific building risks to these findings, to determine feasible measures we can apply to reduce heat stress and water stress at an asset level. On the acquisition front, we are already using our findings on location risks as part of the decision-making process.

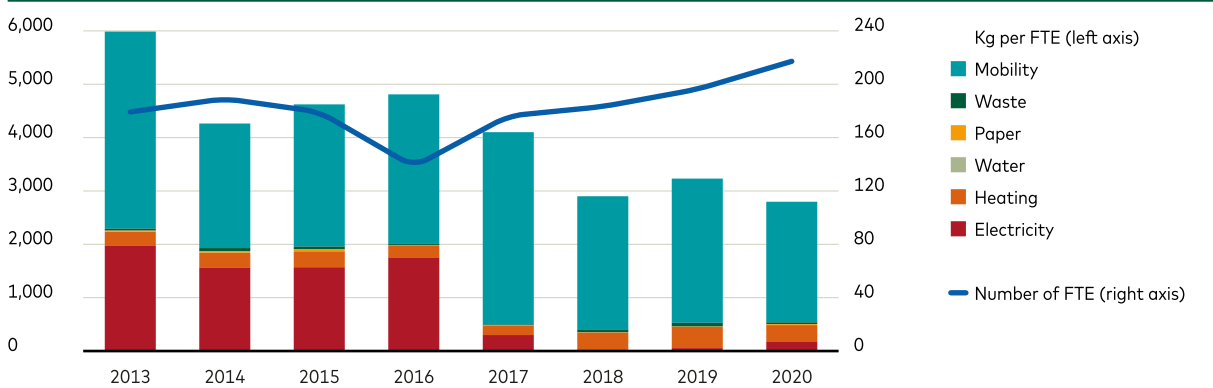
Climate risks and impact on the Vesteda portfolio



CO₂ footprint

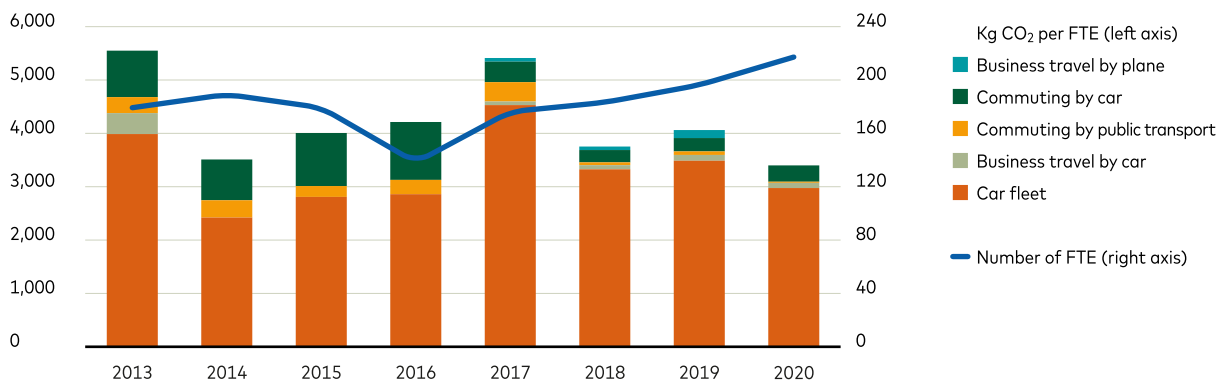
Vesteda aims to reduce the CO₂ emissions of the organisation. In 2020, the total CO footprint of our organisation was 604 tonnes of CO₂, or 2,791 kg per FTE. This includes 5 of our 10 regional offices from which data is available. The carbon footprint of 2020 is a reduction of 13% per FTE compared to last year. Scope 1 with 82% accounts for the majority of the total emissions, compared to 6% scope 2 and 12% scope 3. COVID-19 has had impact on the CO footprint both negative but mostly positive. The reduction of the total travel movements declined due to COVID-19 which has a positive effect. However, the employees that did need to travel, to the office for instance, had to do it by car since this was not possible by public transport. This has a negative impact on the emissions.

CO₂ emission per FTE



The CO₂ generated by mobility still accounts for the majority of our total CO₂ footprint. In 2020 we started to reduce the emissions from mobility by making our car fleet more sustainable. By choosing more sustainable cars, such as fully electric vehicles, the emissions can be reduced greatly. Where we started this policy at the second half of 2019 the percentage of fully electric cars in the car fleet increased from 9% at the end of 2019 to 32% at the end of 2020. The total CO₂ emissions of our mobility was 16% lower compared to 2019. This is partly due to a more sustainable car fleet, but mostly due to reduced travel movements because of COVID-19. Employees are stimulated to choose a fully electric vehicle and are facilitated to make fully electric driving more practical applicable, i.e. installing charging stations at the home of employees. We will continue to create a more sustainable car fleet to maintain this reduction. The figure below shows the transport-related CO₂ emissions between 2013 and 2020 per FTE.

Transport-related CO₂ emissions per FTE



Circularity

Vesteda also aims to reduce the impact on materials and resources. With circularity the goal is to (re-)use products and materials endlessly. To start reducing our impact on the use of materials and resources we need to gain insight in our current performance. Similar as carbon footprint we asked a third party to calculate the circular footprint of our organisation. The purpose of determining the footprint is to measure which virgin materials are added to the cycle and which materials are destroyed and thus leave the cycle. In a circular footprint all materials in the building are assessed, including which materials are used and how much waste this creates. Looking at these three incoming and outgoing flows gives us insight in possible ways to improve the circularity of materials.

In terms of procurement, Vesteda is already using as much circular cleaning materials as possible and we also use more and more re-used office furniture. The biggest volume of used materials and resources is in the categories waste and energy. The energy is used to heat and electrify our office. With the renovation of our main office in 2017 we made great progress in the reduction of energy and therefore resource demand. The remaining energy demand for electricity is from renewable resources which has a positive impact on circularity. For natural gas this is not possible. In the future we want to research the possibilities to disconnect from the natural gas grid towards a more sustainable and circular heat source for the main office building.

The first assessment of the circular footprint gives Vesteda insight in the performance of the organisation. Although we are pleased with the initial outcome of our circular performance, we also saw potential to improve. The footprint gives a better understanding on how to look at circularity within organisational processes. In 2021, we want to look for ways to incorporate circularity in our procurement and to create a policy and monitoring on the disposal of office furnishing.

Measuring and managing resource consumption

Our goal is to manage and reduce our use of resources (energy, water) and to reduce the production of greenhouse gases. We aim to structurally reduce the energy consumption in our investment portfolio. We started this project in 2016, when the focus was initially on common areas. Due to collaboration with grid operators it is now possible to also measure the energy consumption of our tenants. This year, for the first time we can report this data in our annual report.

Common areas

In 2020, our electricity use for common areas decreased with 8.4% and gas consumption with 5.4%. We also increased the portfolio's green electricity with European wind energy to 88% of the portfolio. The remaining non-sustainable energy have existing energy contracts that cannot be changed to sustainable energy yet or are operated by residents associations where we have no influence on the type of energy purchased. Since not all utility providers have finalised their annual statements yet, the coverage in 2020 is lower than 2019.

In like-for-like, the consumption is compared for areas for which the consumption is available for 12 months in 2019 and 2020. The square meters of the common areas are calculated based on a representative sample in which we measured that the actual common area square meters on average represent approximately 22% of a complex.

Common areas	Absolute		Like-for-like	
	2020	2019	2020	2019
Key figures				
Portfolio's green electricity (%)	88%	64%	87%	87%
Portfolio's green gas (%)	99%	99%	99%	99%
Energy consumption				
Consumption from electricity (kWh)	7,808,159	11,012,562	7,089,468	7,789,077
Consumption from gas (m3)	64,503	44,300	35,558	37,604
Greenhouse gas emissions				
Total indirect emissions (metric tonnes CO ₂ , Elektra) - Gross	3,709	4,548	3,367	3,217
Total direct emissions (metric tonnes CO ₂ , Gas) - Gross	122	84	67	71
Total indirect emissions (metric tonnes CO ₂ , Elektra) - Net	451	1,628	450	416
Total direct emissions (metric tonnes CO ₂ , Gas) - Net	122	84	67	71
Water				
Total water usage (m3)	4,285	42,648	3,805	4,153
Coverage sqm				
Coverage % electricity - based on sqm	74%	84%	66%	
Coverage % gas - based on sqm	65%	56%	53%	
Coverage % water - based on sqm	44%	71%	44%	

Tenants

In 2020, the tenant consumption decreased with 5.2% for electricity and 2.9% for gas. In like-for-like the consumption is compared for areas for which the consumption is available for 12 months in 2019 and 2020. Data available for 8 months or more is extrapolated and included for 12 months in the overview. The decrease in consumption is due to sustainable renovations and because our tenants use their homes more energy efficient.

Consumption data of the common areas and tenants is derived from telemetric meters, invoices, manual visual readings and (for the majority of tenant consumption) from the energy grid operator. The coverage is based on the square meters where consumption is available for at least 8 months.

Tenants	Absolute		Like-for-like	
	2020	2019	2020	2019
Key figures				
We calculate the green electricity from tenants according to the Dutch average:	70%	70%	70%	70%
Energy consumption				
Consumption from electricity (kWh)	67,328,355	70,734,571	67,038,462	70,734,571
Consumption from gas (m3)	21,842,546	22,923,577	21,807,581	22,456,905
Consumption from district heating (GJ)	0	45,341	0	0
Greenhouse gas emissions				
Total indirect emissions (metric tonnes CO ₂ , Elektra) - Gross	31,981	29,213	31,843	29,213
Total direct emissions (metric tonnes CO ₂ , Gas) - Gross	41,151	43,326	41,085	42,444
Total indirect emissions (metric tonnes CO ₂ , Elektra) - Net	26,768	24,452	26,653	24,452
Total direct emissions (metric tonnes CO ₂ , Gas) - Net	41,151	43,326	41,085	42,444
Water				
Total water usage (m3)	51,800	1,556,619	51,799	62,418
Coverage sqm				
Coverage % electricity - based on sqm LFA	100%	100%		100%
Coverage % gas - based on sqm LFA	97%	98%		97%
Coverage % water - based on sqm LFA	2%	58%		2%
Coverage % district heating - based on sqm LFA	0%	26%		0%

Total

The total energy consumption of our total portfolio including intensity measures was as followed.

Total	Absolute		Like-for-like	
	2020	2019	2020	2019
Key figures				
Portfolio's green electricity (%)	72%	69%	72%	72%
Portfolio's green gas (%)	6%	6%	6%	6%
Energy consumption				
Consumption from electricity (kWh)	75,136,514	81,747,133	74,127,930	78,523,648
Consumption from gas (m3)	21,907,050	22,967,877	21,843,140	22,494,509
Consumption from district heating (GJ)	0	45,341	0	0
Greenhouse gas emissions				
Total indirect emissions (metric tonnes CO ₂ , Elektra) - Gross	35,690	33,762	35,211	32,430
Total direct emissions (metric tonnes CO ₂ , Gas) - Gross	41,273	43,409	41,152	42,515
Total indirect emissions (metric tonnes CO ₂ , Elektra) - Net	27,219	26,080	27,103	24,868
Total direct emissions (metric tonnes CO ₂ , Gas) - Net	41,273	43,409	41,152	42,515
Water				
Total water usage (m3)	56,085	1,599,267	55,604	66,571
Solar energy				
Generation solar energy (kWh)	2,665,374	1,756,498		

Besides reduction in energy consumption the generation of solar energy increased. In 2021, Vesteda will try to increase the annual generation of solar panels by looking for ways to install more solar panels on single-family homes.

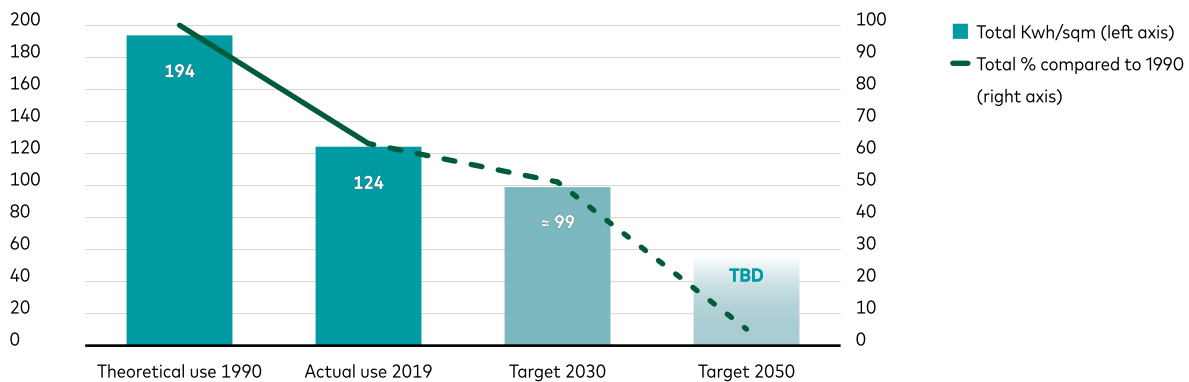
Intensity performance indicators

	Absolute		Like-for-like	
	2020	2019	2020	2019
Intensity from buildings per sqm - common areas				
Electricity intensity (kWh/year/sqm)	27.29	34.89	27.28	29.97
Gas intensity (m3/year/sqm)	2.91	1.92	1.88	1.99
Green House Gas emissions intensity (kg CO ₂ /year/sqm) - Gross	0.0124	0.0137	0.0123	0.0118
Green House Gas emissions intensity (kg CO ₂ /year/sqm) - Net	0.0019	0.0051	0.0019	0.0017
Water intensity (m3/year)	0.04	0.28	0.04	0.04
Intensity from buildings per sqm - tenants				
Electricity intensity (kWh/year/sqm)	24.16	25.46	24.13	25.46
Gas intensity (m3/year/sqm)	10.63	11.00	10.62	10.94
Green House Gas emissions intensity (kg CO ₂ /year/sqm) - Gross	15.10	14.92	15.09	14.83
Green House Gas emissions intensity (kg CO ₂ /year/sqm) - Net	14.03	13.94	14.02	13.85
Water intensity (m3/year)	0.93	0.97	1.06	1.28
Intensity from buildings - per tenants				
Electricity intensity (kWh/year)	1,308.06	1,423.14	1,290.50	1,367.02
Gas intensity (m3/year)	381.38	399.85	380.27	391.61
Water intensity (m3/year)	0.98	27.84	0.97	1.16

Paris Agreement

We are committed to the Paris Agreement, and in 2030 we want to reduce our Carbon footprint by 49%, and in 2050 by 95% in comparison to 1990. Our investments in sustainability, by using the 'Trias Energetica principle' and first reducing the energy demand of our homes, a more sustainable use, and taking sustainability into account in our acquisition policy have already lead to a carbon reduction of approximately 35%. With our remaining investment programme we are well on our way to meet the 2030 target by 2024.

kWh/sqm development Vesteda portfolio



Social - Engaged stakeholders and a socially engaged organisation

We believe it is important to engage in sustainable relationships with our tenants, our participants and our other stakeholders. We communicate openly and transparently about our activities in the field of CSSR and consider it a part of our social responsibility to encourage and increase the awareness, engagement and responsibility of both our employees and our other stakeholders in the field of sustainability. In addition, as a fund we want to contribute to society in general and to the neighbourhoods where our properties are located in particular.

Strategic project: stakeholder engagement

In 2020, we launched various initiatives with and for our stakeholders:

- We are JINC partner and we help young adults to prepare for and start their working life by giving job application training.
- We started a pilot to improve the entrances to our complexes, by improving the overall quality and stimulating communities within complexes.
- In 2020, a graduate student researched the possibility of Vesteda successfully involving tenants in creating more sustainable homes and reducing carbon emissions.

Strategic project: health & well-being

Our aim is to have a positive impact on the health and well-being of our tenants and employees. As part of our efforts on this front, last year we launched a number of initiatives:

- In 2020, we introduced a personal vitality budget for employees. Employees can use this budget to improve or maintain their healthy lifestyle and personal development.
- Together with our partner, the Dutch Society of the protection of Birds (Vogelbescherming), we are looking at how we can improve the biodiversity within new acquisitions and renovations by installing bird and insect houses to increase the biodiversity in and around our complexes.
- We included questions about the happiness and well-being of our tenants in our annual tenant survey. We want to know our tenants' concerns and what we can do to improve the situation.

Governance - Responsible business and transparent organisation

Our aim is to act and be perceived as a sustainable investment by our participants. We are open and transparent about our progress on our sustainability targets, and we strive to meet the highest possible standards in reporting on CSSR-related activities.

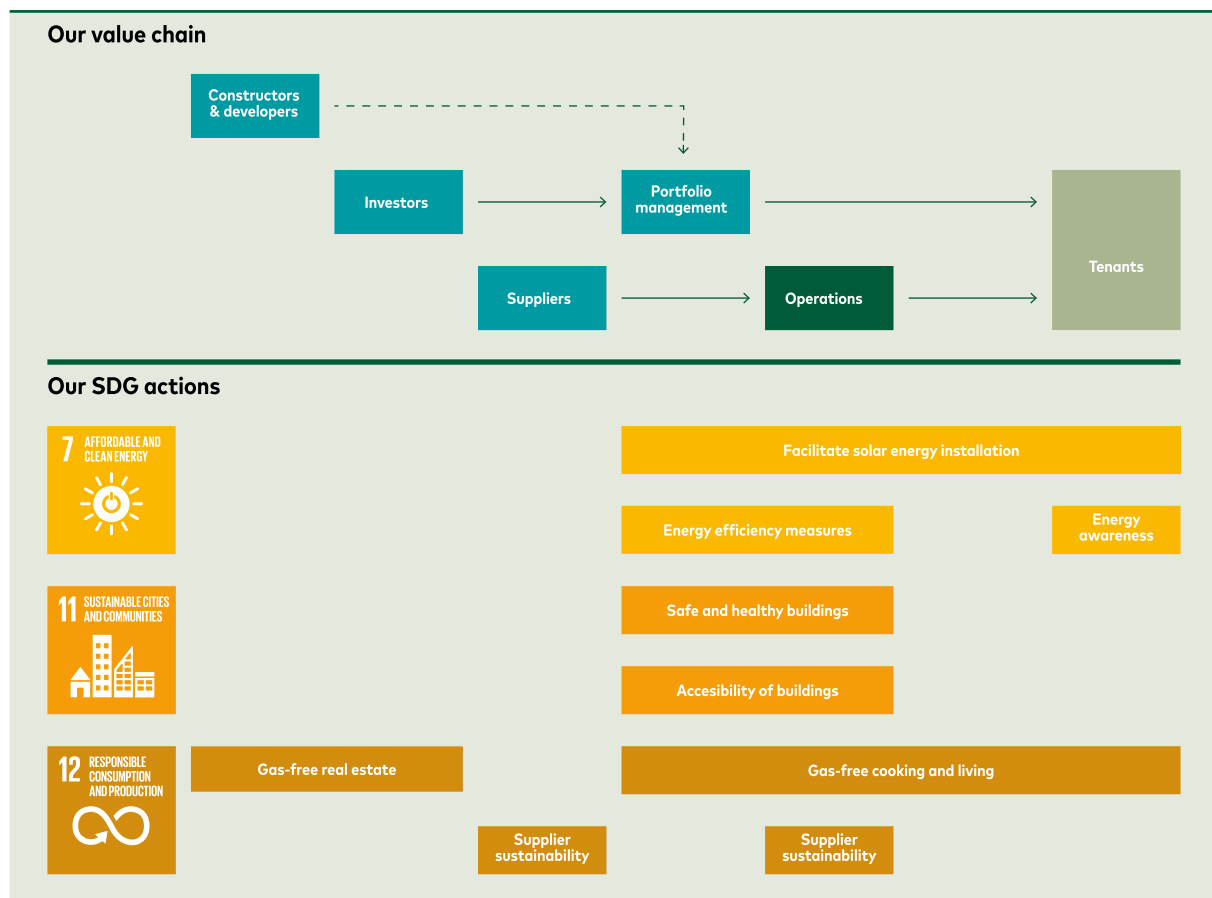
Our impact on the Sustainable Development Goals

In 2015, the United Nations adopted 17 Sustainable Development Goals (SDGs), defining global sustainable development priorities and aspirations for 2030. This common set of 17 goals and 169 sub-targets calls for worldwide action from governments, business and civil society to end poverty, ensure prosperity for all, and protect the planet. Vesteda has decided to embrace the UN's Sustainable Development Goals.

We conducted an analysis to determine which of the SDGs are the most relevant to our activities, based on what we do and our ambitions. We consider the SDGs affordable and clean energy (7), sustainable cities (11) and Responsible consumption and production (12) the most relevant to our activities. In 2020 we incorporated these SDGs in our CSSR goals for the future.

SDGs along our value chain

We have mapped our SDG actions along our value chain.



Global Reporting Initiative (GRI)

Since 2015, Vesteda has used the GRI-G4 standards to report on its CSSR policy in its annual report. In 2020, Vesteda once again reported on the basis of GRI Standards. For more information, please see the About this report section of this report.

GRESB

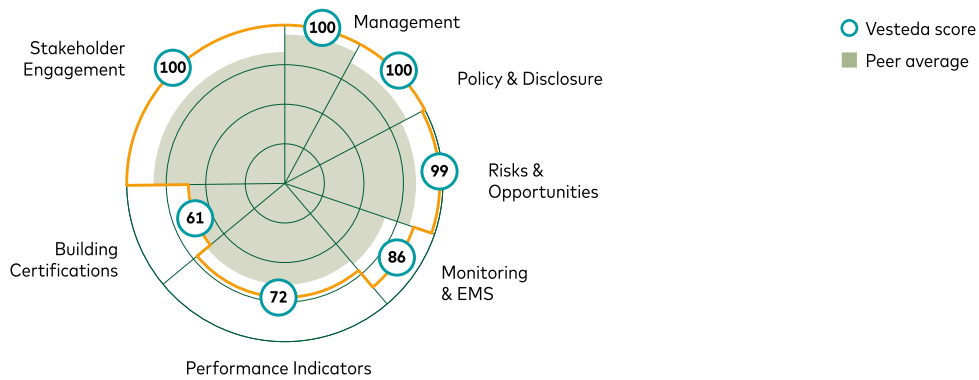
Since 2010, the Global Real Estate Sustainability Benchmark (GRESB) has provided a tool to compare the sustainability of property investment funds. The GRESB survey is designed to identify the sustainability performance of the real estate sector and is now a widely-recognised and well-respected initiative. The environmental benchmark rates environmental management practices and their implementation, making it possible to compare the ratings of different real estate investments with both their national peer group and the GRESB global average. Vesteda has been a part of the benchmark since its inception. Vesteda believes that GRESB is helping to increase transparency in terms of the sustainability of real estate funds. To contribute to the continued evolution of the benchmark, Vesteda joined GRESB as a member in 2013.

In 2020, Vesteda was awarded five out of five stars and remained part of the global top 20% for its sustainability performance for the third year in a row. Vesteda was ranked third out of nine in 2020, compared with third out of 16 in 2019. Vesteda is committed to remaining a top player in the field of sustainability at a national level.

ESG breakdown GRESB 2020

	Vesteda	Peer group	GRESB average	Max score
Environment	52	49	38	62
Social	18	18	15	19
Governance	19	19	17	20
Overall	88	86	70	100

GRESB score 2020



The joys of a courtyard garden

My husband died two years ago and I moved to this apartment shortly after. I'd always said I wouldn't want to stay behind in that big house by myself.

Thankfully, I'd already settled in a bit when the COVID-19 outbreak happened. So I at least know my closest neighbours, and a young man who lives on the same floor does my shopping once a week. What I particularly like at this time is the courtyard garden of this complex.

This is somewhere I can spend time outside a few times a day, or take a walk and have a chat with someone. At a distance, of course, and with a face mask on.

And with all the facilities close by, I don't have to use public transport either. That also helps me stay mobile. I'm glad I took this step. And with Vesteda as my landlord, I hope to enjoy living here for many years to come.

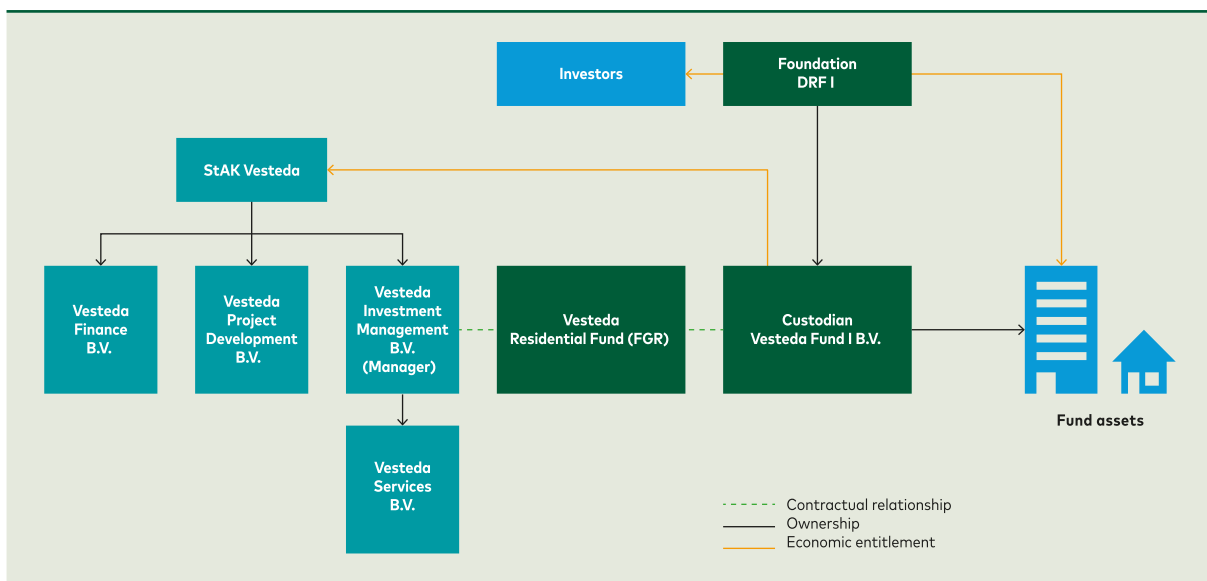


'From a house to an apartment, I could not have made that move at a better time'

Governance and risk management

Legal structure

Vesteda has the legal structure shown below.



Vesteda Residential Fund

Vesteda is a mutual fund for the joint account of the participants. Investors may join the fund by taking an interest in the fund. The fund is transparent for tax purposes. For this reason, participants can participate in Vesteda via an entity with its own legal and fiscal structure. Participants always join or exit the fund via a request to the fund Manager: Vesteda Investment Management B.V. The rights and obligations of the Manager, the Supervisory Committee and the participants are set out in the fund's Terms and Conditions.

StAK Vesteda

Participants' rights and obligations in respect of the fund Manager, Vesteda Project Development B.V. and Vesteda Finance B.V., are exercised through Stichting Administratiekantoor Vesteda (StAK Vesteda). Participants are granted a power of attorney to attend and exercise voting rights in the general meeting of shareholders of these three companies by StAK Vesteda at their request.

Vesteda Investment Management B.V. (the Manager)

The fund's Terms and Conditions instruct the Manager to manage the fund under the conditions specified therein. The Manager is responsible for day-to-day operations and implementation of the strategy. The Management Board and the staff are employed by the Manager.

Vesteda Finance B.V., Vesteda Project Development B.V. and Vesteda Services B.V.

Vesteda Finance B.V. undertakes Vesteda's (unsecured) financing activities on behalf of the fund. Vesteda Project Development B.V. is responsible for development projects in the committed pipeline and certain selected acquisition projects. Vesteda Services B.V. acts as an intra-group service provider.

Custodian

Custodian Vesteda Fund I B.V. is the legal owner of the property of the fund, while the fund is the beneficial owner. The custodian acts in accordance with all instructions regarding the fund's assets given by the Manager, and shall only be entitled to acquire, dispose of, transfer or otherwise deal with any fund assets on the instructions of the Manager.

Corporate governance

Vesteda Residential Fund

The Vesteda Residential Fund is a contractual investment fund as defined in section 1:1 of the Dutch Financial Supervision Act (FSA). It is an unlisted fund for the joint account of the participants. As such, the economic title to the fund assets is held by the participants pro rata to their participation rights. The purpose of the fund is to make investments, and in particular (but not limited to) to invest capital, indirectly or directly, in property mainly designated for residential purposes located in the Netherlands, for the account and at the risk of the participants. The strategy of the fund is set out in more detail in the investment guidelines that form part of the fund's Terms and Conditions.

The Vesteda Residential Fund's Terms and Conditions govern the fund and they can only be amended by a resolution of the participants. They have entrusted the Manager, Vesteda Investment Management B.V., with the management and operation of the fund. The Manager carries out its task solely in the interests of the participants and within the boundaries described in the fund's Terms and Conditions. The Manager, in its capacity as Manager and operator of the fund, is subject to the supervision of the Dutch Financial Markets Authority (AFM) and the Dutch Central Bank (DNB). The Manager obtained a licence to act as a manager of an alternative investment fund in accordance with article 2:67 of the FSA on 17 February 2014. The participation rights can only be acquired by professional investors as defined in section 1:1 of the FSA.

Participants

The participants do not take part in the operation of the fund or the management or control of its affairs and have no right or authority to bind the fund assets, or to vote on matters relating to the fund other than as set forth in or pursuant to the Terms and Conditions.

The Manager convenes at least two participants' meetings each year. If a participant, or two or more participants jointly holding at least 10% of the total participation rights, deem(s) any additional meeting of participants necessary, the Manager is required to convene such a meeting. Participants are entitled to cast a number of votes pro rata to their respective participation rights.

A participant may request that its participation rights be redeemed by the Manager in accordance with the Terms and Conditions.

Subject to the retention of reserves as reasonably deemed necessary by the Manager to meet the current and anticipated expenses of the fund, the realised result, excluding the result on property sales, shall be allocated for distribution to the participants pro rata to their respective participation rights.

Role

The participants are the beneficiaries of the fund and, as such, have a final say in material matters regarding the fund, as specified in the fund's Terms and Conditions.

Supervisory Committee

Composition and governance

The Supervisory Committee supervises how the Manager executes its task, as well as the general course of the fund, on behalf of the participants in the fund. The Supervisory Committee has established rules regarding the processes and governance in its by-laws.

The Supervisory Committee shall have at least five members, with the exact number to be determined by the participants. At present, the Supervisory Committee comprises five members, who are listed in Annex 3 of this report.

The Supervisory Committee has an Audit Committee and a Nomination and Remuneration Committee, both of which are governed by by-laws. The Supervisory Committee shall meet as often as it deems necessary, but at least four times a year, to discuss the results of the fund, the quarterly unaudited financial statements and the valuation of the fund's portfolio.

The members of the Supervisory Committee are appointed, suspended and dismissed by the participants with due observance of any nominations made and a profile as set forth in the Terms and Conditions. They are appointed for a period of four years, which term may be extended once by four years. Each participant that individually holds and each group of two or more participants that jointly holds at least 25% of the participation rights is entitled to nominate one member of the Supervisory Committee. The fund strives to achieve the best possible balance among its members in terms of gender, expertise and experience in the fields of management, compliance, risk management, financial reporting, funding, real estate and real estate funds.

All resolutions of the Supervisory Committee are adopted by a simple majority. Each member of the Supervisory Committee is entitled to one vote. In the event of a tied vote, the resolution at issue will be rejected. The Supervisory Committee may also pass resolutions in writing. A member of the Supervisory Committee will not participate in deliberations or decision-making within the Supervisory Committee, if they have a direct or indirect personal interest in the matter in question that conflicts with the interests of the joint participants.

Role

The Supervisory Committee supervises the policies and functioning of the Manager and the general affairs of the fund. The Manager is responsible for involving and informing the Supervisory Committee, ensuring that the fund is supervised in an optimal manner. The Manager holds regular consultations, both formally and informally, with the Supervisory Committee and its sub-committees on the strategy and policies of Vesteda as a whole. By attending these meetings, the members of the Supervisory Committee have ample opportunities to interact with Vesteda's executives. In addition, the members of the Supervisory Committee have individual meetings with Vesteda executives on an ad-hoc basis.

Remuneration of Supervisory Committee members

For the remuneration of the Supervisory Committee, please see [Note 29](#) in the section Notes to the consolidated financial statements.

The Manager and its Management Board

Composition and governance

The Terms and Conditions entrust the Manager with the management and operation of the fund. The Manager is a private company with limited liability, incorporated and existing under the laws of the Netherlands. As such, the Manager has a Management Board, which in 2020 comprised two managing directors, the CEO and the CFO. The managing directors have the responsibilities and liabilities that derive from the Dutch Civil Code and other related legislation and the company's articles of association. The two directors acting jointly may represent the Manager.

Managing directors will be appointed, dismissed or suspended in accordance with the Manager's articles of association and its Terms and Conditions.

The Management Board is supported by a Management Team, comprising the CIO, COO and the HR Director.

Role

The Manager has been appointed as Manager of the fund and is responsible for ensuring that the fund is always managed and operated, and that the fund assets are always managed, on a discretionary basis, in accordance with the Terms and Conditions and with due observance of the Investment Guidelines, the Business Plan and, on a best effort basis, the INREV Guidelines and the Dutch Corporate Governance Code (the latter to the extent applicable and practical in respect of the fund).

The Manager shall, subject where relevant to the Terms and Conditions, the Business Plan, any finance documentation and the prior approval of the Supervisory Committee or participants, carry out the following tasks, including:

- a. establish and implement the Investment Guidelines and the Business Plan;
- b. identify, evaluate and negotiate investment opportunities to (or to agree to) purchase or otherwise acquire, alone or together with others (in a syndicate), investments within the scope of the Investment Guidelines and the Business Plan;
- c. sell, exchange or otherwise dispose of and refinance investments within the scope of the Investment Guidelines and the Business Plan.

In light of the above, the Manager may enter into such legally binding agreements or other arrangements as the Manager may, at its sole discretion, determine in respect of any investments and divestments by the fund, to the extent permitted under the Investment Guidelines, the Business Plan and the Terms and Conditions. The Manager confirms that it adhered to the Terms and Conditions in 2020.

A Management Board member shall not take part in any discussion or decision-making that involves a subject or transaction in relation to which he or she has a conflict of interest. All costs incurred by the Manager in its capacity as Manager of the fund, all normal operating expenses incidental to the day-to-day management of the Manager in its capacity as Manager of the fund, including its own overheads, any costs relating to outsourcing and the Supervisory Committee, fees payable to its members and the reimbursement of any reasonable costs incurred by members of the Supervisory Committee are reimbursed out of the fund assets.

In the Manager Rules, the Manager and the Supervisory Committee have established rules regarding decision-making processes and the working methods of the Manager.

Remuneration

The employment contracts of members of the Management Board include provisions related to severance pay. The amount of the severance pay as laid down in these contracts has been maximised at one year's fixed salary, in line with the Dutch Corporate Governance Code. The total remuneration of the Management Board comprises the base salary, the variable bonus, pension expenses and other employer charges. For a detailed overview of the remuneration of the Management Board, please see [Note 28](#) in the section Notes to the consolidated financial statements.

Custodian

The duty of Custodian Vesteda Fund I B.V. is to act as the legal owner of fund assets and acquire legal title of such fund assets for safekeeping for the account and at the risk of the participants. The custodian will always acquire assets for the purpose of management and custody (ten titel van beheer) on behalf of the participants and will only act in the interests of the participants and shall not acquire assets or assume any obligations for its own account and risk or for the account and risk of third parties (other than the participants) and shall not carry out any business and will not be involved in any other activity that may cause it to incur liabilities that are not directly related to the fund. The custodian shall act in accordance with all instructions regarding the fund assets given by the Manager, and shall only be entitled to acquire, dispose of, transfer or otherwise deal with any fund assets on the instructions of the Manager. To safeguard this, the management board of the custodian comprises the Manager only.

Depositary

The Manager has appointed Intertrust Depositary Services B.V. to act as depositary for the fund and has concluded a depositary services agreement with the depositary for the benefit of the fund and the participants in accordance with article 4:37f of the FSA. The depositary is responsible for the supervision of certain aspects of the fund's business in accordance with applicable law and the depositary services agreement.

Dutch Corporate Governance Code

All listed companies with a statutory seat in the Netherlands are legally obliged to comply with the Dutch Corporate Governance Code (the Code), in accordance with the apply or explain principle. As neither Vesteda Residential Fund nor the Manager is a listed company, it is not mandatory for the fund or the Manager to apply the Code. Nevertheless, the Management Board and the Supervisory Committee endorse the Code in all material aspects, to the extent applicable and practical in respect of the fund.

Compliance and integrity

The role of compliance in the organisation

Compliance and integrity are closely related. Both acting with integrity and complying with applicable rules and regulations safeguard Vesteda's reputation and the reputation of the industry we operate in. For Vesteda, it is not enough to simply abide by laws and regulations; integrity should be embedded in day-to-day business and decision-making processes.

To ensure that compliance and integrity are and remain on top of mind in Vesteda's business activities, Vesteda has appointed a Compliance Officer. The role of the Compliance Officer is formally defined and documented in Vesteda's compliance charter. The Compliance Officer reports periodically to the Management Board and the Supervisory Committee, while reporting functionally to the General Counsel. Additionally, the Compliance Officer has a direct line to the CFO and the Supervisory Committee.

The compliance function fits into Vesteda's 'three lines model'. This model helps to identify structures and processes that best assist the achievement of objectives and facilitate strong governance and risk management within Vesteda. The first line is formed by the business; the compliance function is part of the second line and operates independently from the business. The third line is formed by the Internal Audit function, which periodically assesses the effectiveness of Vesteda's internal control framework, including compliance.

The Compliance Officer's tasks include the identification, evaluation, monitoring and reporting of and advising on compliance risks within the organisation. The Compliance Officer is part of the Risk Committee and discusses incidents, trends and developments that (could) have an impact on Vesteda's corporate integrity and is the first point of contact for integrity reports within the organisation. They operate at both a strategic level, advising the Management Board and senior management, and an operational level, advising the business on day-to-day compliance matters.

The Compliance Officer focuses on the areas detailed in the schedule below.

Focal points in scope of compliance function

Subject	Brief description
Market	This covers risks related to the non-compliance with laws and regulations, such as the Alternative Investment Fund Managers Directive, Dutch Financial Supervision Act, the Anti-Money Laundering and Anti-Terrorist Financing Act and the General Data Protection Regulation.
Employees	This covers risks related to the non-compliance with the internal code of conduct and related policies.
Business conduct	This covers risks related to non-compliance with rules related to: <ul style="list-style-type: none"> - outsourcing - competition - anti-bribery
Clients	This covers counterparty risks and screening of tenants and parties Vesteda does business with.

Vesteda's view on compliance and integrity

We strive to ensure integrity on all fronts. Vesteda employees sign a code of conduct and Vesteda has an internal reporting scheme, including anonymous reporting via a SpeakUp line, to report (suspected) compliance and integrity incidents. The Compliance Officer reminds employees of this code and the reporting scheme on an annual basis and employees are asked to confirm that they are aware of the code and the scheme and that they will comply.

The Compliance Officer keeps a register of all reported incidents. When an incident is reported, the Compliance Officer evaluates whether the reported incident should be classified as material or not. This would be the case when a) there is a considerable risk of a regulatory fine or sanction, or b) the relationship with key stakeholders could be adversely affected in a serious manner or c) it could result in substantial reputational damage.

Key performance indicators with respect to integrity are:

- a. Number of incidents reported to the Compliance Officer. In this respect, Vesteda explicitly does not strive to have zero incidents reported. In addition, employees are encouraged to speak up to colleagues and management before formally reporting an incident to the Compliance Officer. Vesteda is of the opinion that the reporting of incidents can contribute to risk awareness and is a sign of a company culture in which employees do not fear repercussions for reporting an incident. Incident reporting can help to identify trends or risks. In 2020, the number of reported incidents declined slightly to 16 (which were mainly minor data breaches and (alleged) conflicts of interest). The incidents were addressed by the Compliance Officer and, depending on the severity of the case, discussed with the Management Board and reported to the Supervisory Committee.
- b. The number of material incidents. No material incidents were reported in 2020. Material incidents are: criminal acts, corruption, a violation of applicable laws and regulations, a breach of our internal Code of Conduct, a threat to the environment, health or safety, misleading supervisory authorities, intimidation, withholding or manipulation of data or any other act that damages Vesteda directly or indirectly.
- c. Percentage of employees that confirm adherence to Vesteda's code of conduct. In 2020, 98% of all employees confirmed their compliance with Vesteda's code of conduct. The Compliance Officer contacted employees who did not confirm in a timely manner, to gain an understanding of any underlying reasons.

Vesteda's compliance with applicable rules and regulations is the foundation of its license to operate. Two of our main objectives are to incur no (monetary) sanctions and to retain our AFM license. Vesteda met both of these objectives in 2020.

Compliance focal points 2020

The Compliance Officer conducted the annual Systematic Compliance Risk Analysis (SCRA) in Q4 2020. The SCRA is an instrument the Management Board and the management team use to identify and analyse compliance and integrity risks in a structured manner. The analysis included an assessment of whether existing control measures were (still) sufficient to prevent or mitigate these identified risks or whether new measures were required. The outcome of the SCRA forms the basis of the Compliance year plan for 2021.

Integrity:

- Vesteda updated and launched its Code of Conduct.
- The Management Board presented an online employee meeting on Vesteda's new Code of Conduct in Q4 2020 for all of Vesteda's employees. The aim of this was to (further) increase employee awareness with regard to integrity and the Code of Conduct. Nearly all employees participated in the meeting.
- Vesteda sent out the annual confirmation reminder of Vesteda's Code of Conduct. Vesteda's goal is to have 100% of its employees confirm the Code on an annual basis. In 2020, 98% of employees confirmed their compliance with the code of conduct. The Compliance Officer contacted the employees who did not confirm their adherence to the Code.
- The Compliance Officer recorded compliance and integrity incidents and reported on a quarterly basis to the Management Board and a subcommittee of the Supervisory Committee about these incidents and any measures taken. The number of recorded incidents declined slightly in 2020.
- The Compliance Officer and Internal Audit department conducted an internal investigation into a conflict of interest of an employee in Q3 2020. Following this investigation, Vesteda took disciplinary measures.

Regulatory:

- Vesteda was in contact with the Dutch Authority for the Financial Markets (AFM) on the rectification of the registered policy makers and parties having a qualified holding in Vesteda.
- Vesteda submitted its input on various market questionnaires of the AFM.

Client integrity:

- The Compliance Officer led projects focused on updating Vesteda's client due diligence policies and procedures, and the (automated) monitoring of potentially unusual transactions.

Privacy:

- In addition to the new ERP system, Vesteda worked on the development of a new client portal. This also entails the monitoring of General Data Protection Regulation (GDPR) compliance.
- Vesteda updated privacy statements and published these on its website and the online rental portal.

Risk management

Risk management is integrated in Vesteda's strategic and operational processes. We have defined our risk management policy and implemented a risk management framework in line with the core fund risk profile, as defined in the Vesteda Residential Fund's Terms and Conditions, extending to all levels of the organisation and all lines of business.

Vesteda has developed its internal risk management framework on the basis of the recommendations of the Committee of Sponsoring Organisations of the Treadway Commission (COSO), the aim of which is to create a reasonable level of assurance on the achievement of organisational targets. Vesteda's internal control systems include various measures for achieving adequate segregation of duties, prompt recording of significant transactions and data security. Internal accountability and management reports, management reviews and other internal research into the design and operation of the internal controls are an integral part of the internal control systems.

Vesteda also uses the 'Three lines model' with respect to managing risks (first line: Management, second line: Business control, Risk committee and Compliance officer, third line: Internal Audit). This model enhances the awareness of the risk culture within Vesteda and underlines and supports accountability for the management of risks and internal controls. The principles-based approach of the new three lines model (published on 21 July 2020) emphasises that focus should be on the contribution risk management makes to achieving objectives and creating value, as well as to matters of 'defence' and the protection of value. Vesteda also supports the principles to the effect that:

- There must be regular interaction between Internal Audit and management to ensure the work of Internal Audit is relevant and aligned with the strategic and operational needs of the organisation.
- There is a need for collaboration and communication across both the first and second line roles of management and Internal Audit to ensure there is no unnecessary duplication, overlap, or gaps.

Vesteda's Internal Audit department is already providing objective assurance and advice on the adequacy and effectiveness of governance and risk management (including internal controls) to support the achievement of organisational objectives and to promote and facilitate continuous improvement.

Risk appetite

The INREV core fund risk profile implies that Vesteda has a relatively low-risk profile since it typically invests in income producing real estate investments. Vesteda employs relatively low levels of leverage and has limited exposure to real estate development. A significant and stable proportion of its returns are generated through rental income. Overall, Vesteda has a relatively low-risk appetite. We refer to [Note 26](#) in the section Notes to the consolidated financial statements for a description of our financial risk management objectives and policies.

Vesteda's risk management framework

Vesteda's risk management framework is described in the section below.

Risk Committee

Vesteda's risk management activities are overseen by the Risk Committee. The Committee's tasks include, but are not limited to:

- Advising the Management Board and the Management Team on risk management.
- Designing and maintaining the strategic risk management policy.
- Advising and facilitating the design and maintenance of the operational risk management policy.
- Ensuring the appropriate yearly review of the risk management policy by the Management Board and the Management Team.
- Increasing awareness of risk management throughout Vesteda.
- Monitoring the effectiveness of key controls related to operational risks and compliance risks.
- Reporting on risk management to the Management Board and the Management Team, the Audit Committee and the Supervisory Committee.

The Risk Committee is chaired by the CFO, who is already charged with risk management at Vesteda. Other members of the Risk Committee include the Operations Director (appointed to COO in January 2021), the Corporate Secretary/General Counsel, the Business Control Manager, the D&I Manager and the Compliance Officer. The Internal Auditor also joins the meetings of the Risk Committee but is not a member of the Risk Committee. A Risk Charter defines the roles and responsibilities, the tasks, authorities and reporting requirements of the Risk Committee. The Risk Charter was amended last year and approved by the Management Board in November 2020.

The scope of risk management

Vesteda distinguishes the following three main risk areas:

1. Strategic risks relating to risks with respect to Vesteda's strategic targets as defined in the Business Plan

This relates to specific risks regarding tenants, portfolio, participants (equity funding), organisation and debt funding.

2. Operational risks relating to failure of systems and processes

Operational risk management is part of Vesteda's business processes and is governed by specific guidelines, policies and key controls designed to manage these operational risks, which are subject to internal reviews and external audits where appropriate.

Each year, Vesteda's external auditor provides assurance with respect to the design and effective operation of controls based on the International Standards on Assurance Engagements (ISAE), Standard 3402, type II. Vesteda selects the relevant controls to be audited and concluded upon in the assurance report and these relate to key controls within the most important business processes, primarily Acquisitions, Property and Portfolio Sales and Operations.

3. Compliance risks related to non-compliance with legislation and regulations

Vesteda has a dedicated Compliance Officer who reports on a quarterly basis to the Management Board and Supervisory Committee. The scope of the work of the Compliance Officer is set out in a Compliance Charter, which was approved by the Management Board in May 2017. Both internal and external developments, such as trends, risk-increasing developments, incidents and new or changed laws and regulations, can lead to the (partial) revision or adjustment of an established programme. The Compliance Officer constantly monitors these developments, responds to these and discusses them (where necessary) in the quarterly consultations or on an ad-hoc basis with the Management Board and/or the Supervisory Committee. If necessary, the Compliance Officer adjusts their activities (advice, monitoring) accordingly. The annual compliance programme therefore has a dynamic character. It is also possible that the results of (un)planned compliance monitoring gives cause to prioritise a topic, while this was not previously planned. The compliance charter gives substance to this dynamic of compliance activities in various areas. For more detailed information, please see the Compliance and Integrity section of this report.

As described above, the Risk Committee focuses on providing support and advice with respect to strategic risks and defining the policy framework for operational risk management. Operational risk management continues to be the responsibility of the business. The Risk Committee monitors the effectiveness of operational controls and compliance.

Strategic risk analysis

In 2020, the Management Team thoroughly reviewed Vesteda’s strategic risks based on the Business Plan 2020-2024, actual business developments in 2020 and the strategic outlines for the Business Plan 2021-2025. The review consisted of:

- Identification of strategic risks, based on the strategic targets and key performance indicators within the five strategic pillars: Tenants, Participants (Equity Funding), Portfolio, Organisation and Funding (Debt Funding).
- An assessment of the extent to which Vesteda is risk averse for each of the strategic targets. The objective of this assessment was to create a common understanding of the level of risks Vesteda is willing to accept in achieving its strategic targets and to provide guidance for decisions relating to risk and return management. It also serves as a basis for the review of the effectiveness of the nature and level of internal controls for each risk. The level of risk aversion was measured based on a scale of 1 to 5:

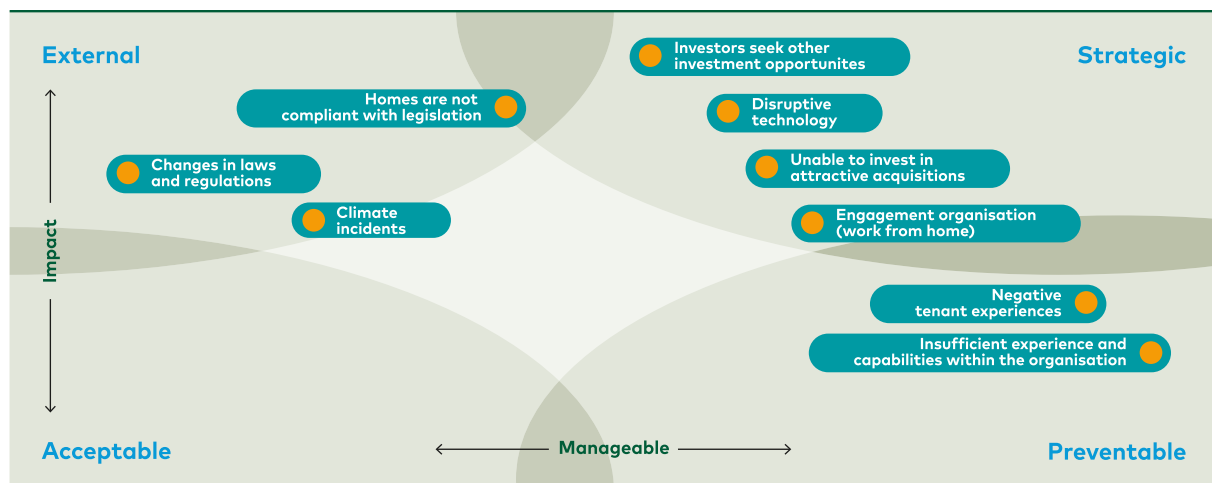
1. Risk averse
2. Limited risk
3. Cautious
4. Flexible
5. Open

The assessment concluded that limited risks or a cautious approach is necessary (risk aversion of mostly 2, partly 2-3) for Vesteda’s strategic targets. This approach is in alignment with the key characteristics of Vesteda as a Core INREV fund with a conservative funding policy focusing only on residential real estate in the Netherlands.

- Classification of identified risks based on impact (high – low) and to what extent the risk is manageable (to a large extent manageable – not manageable).

The outcome of this review is depicted in the ‘Vesteda Risk Profile’ figure below:

Vesteda Risk Profile



- Defining the internal controls (taken or to be implemented) for each of the identified risks, the required level of effectiveness for these controls and the relevant key performance indicators to monitor effectiveness.

For each of the risks shown in the ‘Vesteda Risk Profile’ above, the main internal controls are:

External risks, potential high impact, no or limited controls on risk occurring

Risk: Changes in laws and regulations

Changes in laws and regulations relating to rent increases, investments (local requirements or product specific requirements, e.g. regulated mid-rental segment), building requirements (sustainability), fiscal laws impacting investments in real estate, etc.

Internal controls

As changes in laws and regulations are beyond Vesteda's direct control, the main focus in addressing this risk is identifying and discussing possible changes and alerting and preparing the organisation. This is realised through our multiple contacts with the sector association IVBN and contacts with city councils, politicians, developers, etc. Where relevant, we take the effect of potential changes in laws and regulation into account in our business planning, including impact analyses and stress testing, where relevant.

With respect to the risk regarding rental regulation, we do take an active role in the affordability debate, together with the IVBN, and we once again voluntarily capped the annual rent increase in 2020. We believe it is important to behave as a socially responsible investor and to highlight the role we have in responsibly investing pension savings and insurance premiums entrusted to us by our participants in residential real estate for middle-income tenants.

Risk: Homes are not compliant with legislation

Our homes do not comply with legislation with respect to climate mitigation and sustainability.

Internal controls

Vesteda has implemented a number of internal controls for this specific risk, the most important of which are:

- An investment programme to improve the energy labels of our homes. Please refer to the section [Corporate Sustainability and Social Responsibility](#) of this report.
- New acquisitions should comply with Vesteda's building requirements and with Vesteda's sustainability principles. Please refer to the section Environmental – Improve sustainable performance on page 55 of this report.
- In addition, every acquisition investment proposal has to include a climate risk scan.

Risk: Climate incidents

Climate incidents affecting our portfolio, such as flooding, heat stress, earthquakes, etc.

Internal controls

This is also a risk that is to a large extent beyond Vesteda's direct control. However, in terms of mitigating the impact of climate incidents, Vesteda has taken the following measures:

- A climate risk scan for the entire portfolio. Please refer to the section Physical climate risks on page 58 of this report.
- Specific attention for the risks of heat stress and flooding in our long-term maintenance programme per building complex. Please refer to the section Physical climate risks on page 58 of this report.

Strategic risks, potential medium to high impact, reasonable or high level of controls possible on risk occurring**Risk: Investors seek other investment opportunities**

Investments in Vesteda (residential real estate) become less attractive for potential new and current investors (primarily as a result of an imbalance between return and risk).

Internal control

Each year, participants have to approve the Business Plan, which includes the strategy to achieve the targets as set out in the Investment Guidelines of the Terms and Conditions. For example, the outperformance of the three-year MSCI index and a target for the TER. The achievement of the targets is monitored on a monthly, quarterly and annual basis.

We have frequent meetings with participants, at which we communicate market developments and the progress of the strategy implementation. In the current market environment, with political discussions on affordability, the impact of rent increases and (potential) new legislation on rent increases, we believe it is important to discuss Vesteda's strategy as a socially responsible investor, especially when this pertains to decisions regarding tenant satisfaction, rent increases, sustainability and, specifically in 2020, our approach to supporting tenants during the COVID-19 pandemic.

Risk: Disruptive technology

Vesteda's business model is disrupted by new innovative technology.

Internal controls

Disruptive technology may potentially have a significant impact on Vesteda. This risk is to a large extent mitigated, as we perform our own property management and are in control of rental and property data and systems, which could be a major barrier to entry in this property segment, in combination with relatively low vacancy rates and a structural imbalance between the supply and demand of residential real estate.

We also encourage and stimulate technology training and we are participating in educational programmes organised by (for instance) sector associations and exchange experience and knowledge with peers abroad, our participants, etc. to keep our knowledge of technology developments up to date.

Risk: Unable to invest in attractive acquisitions

Vesteda is unable to invest in new attractive acquisition opportunities.

Internal controls

As part of our acquisition policy, we have implemented a range of internal controls, including:

- Monitoring of acquisition leads funnel and conversion of leads.
- Yearly evaluation of IRR requirements.
- Performance analyses of realised acquisitions compared with the investment proposal.
- Yearly approval by participants of the Business Plan, which includes the acquisition strategy and funding of acquisitions.

Risk: Engagement organisation (work from home)

As a result of COVID-19, with the vast majority of employees working from home, there is an increasing risk of a less engagement between employees and the organisation. Post COVID-19, this risk may still be relevant as employees will work from home on a more structural basis.

Internal controls

In addition to the already existing development programmes and activities related to making Vesteda a High Performing Organisation, focus has been and will be on more frequent communications, by the Management team and by the managers, and recognition of the contribution of our employees (individually and by department) to keep our employees aligned with the organisation and vice versa. In 2021, we will also invite our employees to help define what is needed from the organisation and from our employees to maintain the right level of engagement in the organisation. Please refer to section [Organisation & staff](#) for our plans to keep our employees aligned with the organisation and vice versa.

Preventable risks, medium to low impact, high level of controls possible on risk occurring

Risk: Negative tenant experiences

Vesteda's image and reputation is affected by negative tenant experiences.

Internal controls

Vesteda measures tenant satisfaction continuously and this is one of Vesteda's major key performance indicators. It is included in the annual targets for the Management Team, senior management, departments and employees. Please refer to the section [Tenant satisfaction surveys](#) of this report.

Risk: Insufficient experience and capabilities within the organisation

Insufficient experience and capabilities within the organisation.

Internal controls

Vesteda takes a range of measures to ensure that it attracts and retains highly qualified staff, such as recruitment procedures, talent management, training programmes, etc. Please refer to the section [Workforce](#) of this report.

The monitoring of the above-mentioned strategic risks and the effectiveness of internal controls, as well as identifying new strategic risks is the responsibility of the Management Board and the Management Team and will be discussed at least quarterly in 2021 as part of quarterly reporting.

Risk Committee activities in 2020

During the year under review, the Risk Committee discussed the risks related to Vesteda's digital organisation and climate risks with the D&I Managers and the Sustainability Programme Manager. The Treasury Manager reported to the Risk Committee on the compliance with Vesteda's funding targets, including stress tests on liquidity and financial covenants. Furthermore, the Compliance Officer reported on Compliance risks and the Client Due Diligence procedures and the HR Director reported on HR-related risks.

In 2020, the Risk Committee was informed on a regular basis on the COVID-19 measures and the related risks.

'In control' statement

The Management Board is responsible for implementing and maintaining adequate risk management and internal control systems and for assessing the effectiveness of these systems.

In the year under review, we evaluated and monitored our risk management and internal control systems, as further described in the above Risk management section of this report. Based on this assessment, we concluded with reasonable, but not absolute, assurance that:

- The annual report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems.
- The aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies.
- Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis.
- The annual report states those material risks and uncertainties that are relevant to the expectation of Vesteda's continuity for the period of twelve months after the preparation of the report.

It is important to note that effective risk management, with embedded internal controls, no matter how well designed and implemented, provides the Management Board with only reasonable assurance regarding the achievement of Vesteda's objectives. The achievement of objectives is affected by limitations inherent in all management processes. Therefore, in this context 'reasonable assurance' refers to the degree of certainty that would be satisfactory for a prudent manager in the management of his business and affairs in the given circumstances.

About this report

Content report

This report is published on an annual basis and covers information from 1 January 2020 until 31 December 2020. Our previous Annual Report was published on 8 April 2020. The aim of this report is to inform Vesteda's most important stakeholders. By identifying the parties that Vesteda influences and the parties that exert influence on Vesteda, the company has defined the following key stakeholders: tenants, participants, employees, lenders/debt investors, partners/business partners, advisors/real estate experts and local authorities.

Financial and non-financial information

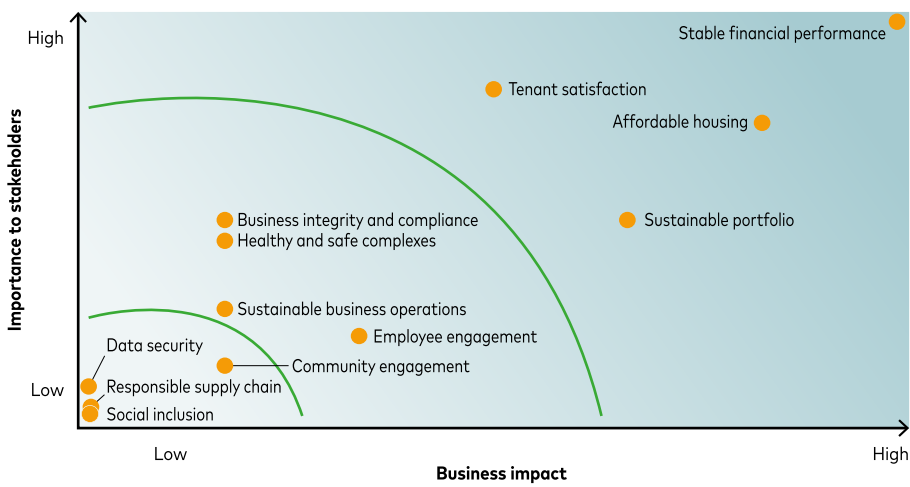
The financial information included in this report is derived from or in line with the financial statements. The Vesteda annual report is drawn up in accordance with IFRS accounting policies, unless otherwise stated. However, for transparency purposes, Vesteda deems it important to provide investors with insight into the fund's net asset value and metrics on the basis of the INREV principles. For that reason, Vesteda has included an additional segment to this report on the INREV NAV and metrics. Please see the section 'Vesteda Residential Fund FGR financial overviews in accordance with INREV valuation principles' of this report. The non-financial information relates to areas such as market developments, portfolio and organisational developments, our tenants, CSSR, Corporate governance, Compliance and Integrity and Risk management. These data are the result of Vesteda's own analyses and systems, market research and legislation and regulations, such as MG circulars (residential rental market rules and regulations). There are no significant restatements regarding non-financial information.

Material topics

This report has been prepared in accordance with the GRI Standards: Core Option. A key requirement for conforming with GRI guidelines is the execution of a materiality analysis and the translation of the outcomes of this in the annual reporting. Vesteda executed a new materiality analysis in 2020. The differences between the new and the previous materiality assessment is that certain topics were merged and new topics were added, creating a list of 12 instead of 25 topics. As a result, the number of material topics decreased from 11 to 8. The topics Affordable housing, Sustainable business operations and Circularity were newly added to our material topics, whereas the topic Responsible supply chain seemed less relevant to our stakeholders. Nonetheless, we are still including this topic in our reporting.

All Vesteda's entities are within scope for all material topics and their indicators. Vesteda reports quantitatively on the eight most material topics. Whenever possible, these topics have been combined with and linked to (GRI) aspects included in the previous year's reporting. The results of the materiality analysis are shown in the following matrix. The GRI table in [Annex 4](#) of this report shows the link between the material topics and the so-called GRI aspects and indicators.

Materiality matrix



Dialogue with stakeholders

The table below gives an overview of the structural dialogue between Vesteda and its key stakeholders.

Stakeholders	Dialogue	Content dialogue	Impact dialogue on policy Vesteda
Employees	<ul style="list-style-type: none"> • Questionnaire (HPO) • Events for employees • Intranet • Works Council 	<ul style="list-style-type: none"> • Employee satisfaction and employee experience, Vesteda Improves project • Onboarding day (quarterly), Inspiration session (monthly), Business Plan presentation (yearly), Financial and business results (quarterly), Celebrations (new year, breakfast sessions, Friday drinks etc) • Source of information • Discuss relevant developments and regulations concerning business strategy and employee impact, such as M&A, organisational changes and employee benefits 	<ul style="list-style-type: none"> • Identification of integral improvement programmes • Social connectivity and creation of Vesteda culture • Clear quarterly information about business progress and plans
Participants	<ul style="list-style-type: none"> • General Meeting of Participants (at least twice a year) • Regular investor meetings/ quarterly conference calls • Annual informal Participants' Day • Annual independent Participant satisfaction survey • Property tours • Investorweb (for participants) 	<ul style="list-style-type: none"> • Business Plan 2021-2025 • Liquidity Review Date • Transition to zero-natural gas living • Rent increase policy • Acquisitions and sales policy • Required returns • CSSR • ISAE • New ERP system 	<ul style="list-style-type: none"> • Voluntarily cap the annual average rent increase of free market rental homes to inflation +1% (on the condition that the mid-rental market will not be regulated) • Continued attention for CSSR (for instance decision to implement UN PRI and UN SDG) • Clear criteria to improve reporting and Participants' Day
Lenders/ debt investors	<ul style="list-style-type: none"> • Annual credit review meetings • Regular debt investor/lender meetings • Information for debt investors on website • Financial covenant reporting • Roadshow for bond investors 	<ul style="list-style-type: none"> • Strategy • Leverage • Reporting • Governance • Cash management • CSSR 	<ul style="list-style-type: none"> • Transparent reporting standards; improved reporting • Funding strategy (long-term leverage) • Development risk • Liquidity risk
Partners/ business partners and local authorities	<ul style="list-style-type: none"> • Through membership and meetings of IVBN, INREV, ULI, NeVaP, NEPROM, DGBC, NRP and GBC-Z. • Local and national government(s) • Attending/giving lectures at business events/conferences • Attending conferences such as Expo Real, Provada and INREV • Joining expert meetings and working groups 	<ul style="list-style-type: none"> • Increasing mid-rental market supply in the urban environment / affordable housing • Discuss local regulations, policies and market developments • Discuss relevant developments, such as sustainability, urban development, densification, ground lease, mobility, disruptive technologies, technical innovations and smart buildings • Discuss propositions for acquisitions, property sales and re-developments 	<ul style="list-style-type: none"> • Sector effort to realise more affordable housing in urban environments • Revolving Fund Urban Transformation (NEPROM, Platform31) • Investment Strategy for Sustainable Urbanisation "At home in the Future" (NEPROM) • Translation of market developments into our Business Plan • Investing in knowledge of disruptive technologies (for example: Project Milestone (3D-printed concrete houses)) • Adopting and improving best practices

Advisors/ real estate experts	<ul style="list-style-type: none"> • Regular meetings with Vesteda Advisory Committee • Conference with Dutch housing association • Partnership signed with the Blue Building Institute • Workshop on sustainability • Attending/giving lectures at business events 	<ul style="list-style-type: none"> • Sustainability, re-development of existing properties • Energy transition • KPIs • Healthy living • Social cohesion • Market developments 	<ul style="list-style-type: none"> • Research into CSSR and continued embedding in policy
--	--	--	--

INREV Guidelines Compliance Statement

INREV is the European Association for Investors in Non-Listed Real Estate Vehicles. Its goal is to improve transparency, professionalism and best practices across the sector, making the asset class more accessible and attractive to investors. INREV provides practical guidelines that create consistency, enable benchmarking and foster transparency for the industry. Vesteda deems it important to adhere to these guidelines and seeks to comply wherever this is possible or practical for a fund with the open-ended, internally-managed structure characteristics of Vesteda.

In 2020, Vesteda performed a self-assessment with regard to the level of compliance with the INREV Guidelines. INREV published the revised INREV Guidelines in 2014, incorporating industry standards in the fields of Reporting, Fee and Expense Metrics, Property Valuation, INREV NAV, Liquidity, Corporate Governance, and Sustainability Reporting.

The overall INREV Guidelines Compliance Rate of the Vesteda Residential Fund is 95%, based on seven out of seven assessments. The table below shows the compliance rate for each completed module of this self-assessment. We have not set quantitative targets on transparency and corporate governance. The results of the self-assessment are evaluated internally. A next step would be to evaluate whether there are possibilities to increase the level of compliance.

Compliance with the INREV Guidelines Assessment Results

INREV module	Level of adoption or compliance
Reporting (100%)	The manager has complied with all the requirements of the Reporting module.
Fee and Expense Metrics (with TER) (83%)	The manager has to a large extent complied with all the requirements of the Fee and Expense Metrics (with TER) module.
Property Valuation (100%)	The manager has complied with all the requirements of the Property Valuation module.
INREV NAV (100%)	The manager has complied with all the requirements of the INREV NAV module.
Liquidity (96%)	The manager has to a large extent complied with all the requirements of the Liquidity module.
Corporate Governance (94%)	The manager has to a large extent complied with all the requirements of the Corporate Governance module.
Sustainability (100%)	The manager has complied with all the requirements of the Sustainability Reporting guidelines.

Assurance

This report has been provided with external assurance. You will find the assurance report of the independent auditor and their conclusion in the section [Assurance report of the independent auditor](#) of this report. Vesteda believes this assurance is important as it provides additional certainty regarding the accuracy of the information included.

Assurance report of the independent auditor

Assurance report of the independent auditor with respect to the 2020 Sustainability Information of Vesteda Residential Fund FGR

To the participants of Vesteda Residential Fund FGR

Our conclusion

We have reviewed the sustainability information in the accompanying annual report (hereafter: the Report) for the year 2020 of Vesteda Residential Fund FGR (hereafter: 'Vesteda') at Amsterdam. A review is aimed at obtaining a limited level of assurance.

Based on our procedures performed nothing has come to our attention that causes us to believe that the sustainability information does not present, in all material respects, a reliable and adequate view of:

- the policy and business operations with regard to corporate social responsibility; and
- the thereto related events and achievements for the year 2020

in accordance with the reporting criteria as included in the section 'reporting criteria'.

The sustainability information consists of sustainability data as included in the following chapters: Vesteda at a glance, paragraph [Key figures](#); Management Report, paragraph [Market developments](#); [Corporate Sustainability and Social Responsibility](#); Governance and risk management, paragraph [Compliance and Integrity](#); [About this report](#) and [Annex 4: GRI Content Index for 'In accordance' – Core](#).

Basis for our conclusion

We have performed our review of the sustainability information in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake maatschappelijke verslagen' (Assurance engagements relating to sustainability reports) which is a specified Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of the sustainability information' of our report.

We are independent of Vesteda in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in The Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting criteria

The sustainability information needs to be read and understood together with the reporting criteria. Vesteda is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the sustainability information are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied supplemental reporting criteria as disclosed in the section [About this report](#).

Responsibilities of the Management Board and the Supervisory Committee for the sustainability information

The management board is responsible for the preparation of the sustainability information in accordance with the reporting criteria as included in the section 'reporting criteria' and the applied supplemental reporting criteria as disclosed in the section [About this report](#), including the identification of stakeholders and the definition of material matters. The choices made by the management board regarding the scope of the sustainability information and the reporting policy are summarised in the section [About this Report](#).

The management board is also responsible for such internal control as the management board determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

The Supervisory Committee is responsible for overseeing the reporting process of Vesteda.

Our responsibilities for the review of the sustainability information

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in review is therefore substantially less than the assurance obtained in an audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the sustainability information. The materiality affects the nature, timing and extent of our review procedures and the evaluation of the effect of identified misstatements on our conclusion.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our review included amongst others:

- Performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of the company;
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by the management board;
- Obtaining an understanding of the reporting processes for the sustainability information, including obtaining a general understanding of internal control relevant to our review;
- Identifying areas of the sustainability information with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or error. Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted amongst others of:
 - Interviewing management (and/or relevant staff) at corporate (and business/division/cluster/local) level responsible for the sustainability strategy, policy and results;
 - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the sustainability information;
 - Obtaining assurance information that the sustainability information reconciles with underlying records of the company;
 - Reviewing, on a limited test basis, relevant internal and external documentation;
 - Performing an analytical review of the data and trends
- Evaluating the presentation, structure and content of the sustainability information;
- To consider whether the sustainability information as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We communicate with the Supervisory Committee regarding, among other matters, the planned scope, timing and outcome of the review.

Amsterdam, 17 March 2021

Deloitte Accountants B.V.

Signed on the original: J. Holland

Vesteda Residential Fund FGR financial statements 2020



Consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2020; amounts in € million

	Note	2020	2019
Gross rental income	5	335	329
Service charges income	6	10	9
Revenues		345	338
Property operating expenses (excluding service charges)	7	(79)	(72)
Service charges	6	(15)	(14)
Net rental income		251	252
Result on property sales	8	7	13
Management expenses	9	(26)	(23)
Financial results	10	(41)	(40)
Realised result before tax		191	202
Unrealised result	11	276	653
Result before tax		467	855
Tax	12	(1)	(1)
Result after tax (attributable to equity holders of the parent/participants)		466	854
Other comprehensive income that will be reclassified subsequently to profit or loss			
- Settlement pre-hedge contracts		1	(6)
- Revaluation of PPE		-	1
Other comprehensive income, net of tax	13	1	(5)
Total comprehensive income (attributable to equity holders of the parent)		467	849
Earnings per participation right in €			
Basic and diluted earnings, on result after tax	20	12.98	23.79
Comprehensive income per participation right in €			
Basic and diluted earnings, on total comprehensive income		13.02	23.65

Consolidated statement of financial position

For the year ended 31 December 2020; amounts in € million

	Note	31-12-2020	31-12-2019
ASSETS			
Non-current assets			
Intangible fixed assets		8	8
Investment property	14	8,213	7,818
Investment property under construction	15	174	194
Property, plant and equipment	16	20	20
Financial assets	17	7	4
Total non-current assets		8,422	8,044
Current assets			
Trade and other receivables	18	16	11
Cash and cash equivalents	19	2	3
Total current assets		18	14
Total assets		8,440	8,058
EQUITY AND LIABILITIES			
Equity			
Group equity	20	6,294	6,022
Non-current liabilities			
Financial liabilities	21	1,592	1,591
Lease liabilities	22	154	129
Total non-current liabilities		1,746	1,720
Current liabilities			
Financial liabilities	21	317	224
Provisions	23	4	6
Trade and other payables	24	78	85
Lease liabilities	22	1	1
Total current liabilities		400	316
Total liabilities		2,146	2,036
Total equity and liabilities		8,440	8,058
Net Asset Value (NAV) per participation right in €			
Basic IFRS NAV	20	175.32	167.74

Consolidated statement of changes in equity

For the year ended 31 December 2020; amounts in € million

	Fund equity	General paid-in surplus	Reserve				Total equity
			Property reserve	Derivatives	Legal	Other reserve	
Balance at 1 January 2019	35	2,384	1,800	-	5	1,293	5,517
Profit for the year	-	-	644	-	2	208	854
Other comprehensive income	-	-	-	(6)	1	-	(5)
Total comprehensive income	-	-	644	(6)	3	208	849
Realised from property sales	-	-	(45)	-	-	45	-
Distribution paid	-	(344)	-	-	-	-	(344)
Balance at 31 December 2019	35	2,040	2,399	(6)	8	1,546	6,022
Profit for the year	-	-	241	-	-	225	466
Other comprehensive income	-	-	-	1	-	-	1
Total comprehensive income	-	-	241	1	-	225	467
Realised from property sales	-	-	(5)	-	-	5	-
Distribution paid	-	(195)	-	-	-	-	(195)
Balance at 31 December 2020	35	1,845	2,635	(5)	8	1,776	6,294

Other comprehensive income may be recognised as profit or loss in future periods.

Consolidated cash flow statement

For the year ended 31 December 2020; amounts in € million

	Note	2020	2019
Operating activities			
Result for the year after tax		466	854
Adjustments to reconcile result after tax to net cash flow from operating activities			
Unrealised result	11	(276)	(653)
Depreciation of property, plant and equipment	16	1	1
Amortisation of financing costs	21	3	3
Provisions	23	(2)	2
Interest expense	10	41	40
Result on property sales	8	(7)	(13)
		(240)	(620)
Working capital adjustments		(25)	2
Net cash flow from operating activities		201	236
Investing activities			
Capital expenditure in investment property	14	(38)	(44)
Proceeds from sale of investment property	14	69	253
Capital expenditure on intangible fixed assets		(1)	(3)
Capital expenditure on property, plant and equipment	16	-	(2)
Capital expenditure on financial fixed assets	17	(2)	(6)
Capital expenditure on participations	17	4	6
Capital expenditure on investment property under construction	15	(99)	(137)
Net cash flow from investing activities		(67)	67
Financing activities			
Loans drawn	21	3,729	2,510
Financing costs	21	-	(4)
Loan repayment	21	(3,636)	(2,431)
Distribution paid	20	(195)	(344)
Interest paid		(33)	(36)
Settlement pre-hedge contracts	13	-	(6)
Net cash flow from financing activities		(135)	(311)
		(1)	(8)
Net increase/decrease in cash and cash equivalents		(1)	(8)
Cash and cash equivalents at the beginning of the period	19	3	11
Cash and cash equivalents at 31 December	19	2	3

Notes to the consolidated financial statements

1. Corporate information

The consolidated financial statements of Vesteda Residential Fund FGR (the Fund) and the affiliated entities (the Vesteda Companies) for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Management Board on 17 March 2021. Vesteda Residential Fund FGR (the Fund) is a mutual fund. Vesteda Investment Management B.V. is the fund manager, and its registered office is located at De Boelelaan 759, Amsterdam, the Netherlands.

The principal activity of Vesteda Residential Fund FGR is investing in Dutch residential properties.

The Fund and its manager are subject to the Dutch Financial Supervision Act (FSA).

2. Basis of preparation

Vesteda Residential Fund FGR (the Fund) is not a legal entity. These financial statements present the consolidated financial information of the Fund and its affiliated companies (together referred to as the Vesteda Companies). Compared with the Annual Report 2019, there have been no financial restatements.

Management considered whether the Vesteda Companies represent a reporting entity. Although no legal parent company exists, management believes that the Vesteda Companies meet the definition of a reporting entity under IFRS, taking into account the discussions held by IFRIC (IFRS Interpretation Committee) and the IASB (International Accounting Standards Board) in previous years and the ED Conceptual Framework for Financial Reporting as issued by the IASB in March 2018. The ED states that if a reporting entity is not a legal entity, the boundaries of the reporting entity needs to be set in such a way that the financial statements: (a) provide the relevant financial information needed by existing and potential investors, lenders and other creditors who rely on the financial statements; and (b) faithfully represent the economic activities of the entity.

The Vesteda Companies represent a defined area of economic activities whose financial information provides relevant information to users of financial statements. Furthermore, the economic activities can be objectively distinguished from those of other entities and from the economic environment in which the Vesteda Companies operate.

The ED of March 2018 discusses the distinction between consolidated and combined financial statements. The opinions of the Management is that this distinction is not relevant for the users of the financial statements of the Vesteda Companies and as such uses the term 'consolidated' financial statements.

As a result, management believes that this basis of preparation results in a true and fair presentation of the Vesteda Companies' financial position, financial performance and cash flows, and that the consolidated financial statements comply in all material aspects with International Financial Reporting Standards as endorsed by the European Union and Part 9 of Book 2 of the Dutch Civil Code and the Financial Supervision Act.

The financial statements of the Vesteda Companies have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability

at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

The principal accounting policies adopted are set out below.

The consolidated financial statements are presented in euro and all amounts are rounded to the nearest million, except where otherwise indicated.

As a result of the licence obtained from the Dutch Financial Markets Authority AFM (Autoriteit Financiële Markten), Vesteda needs to comply with the Alternative Investment Fund Managers Directive (AIFMD). As a consequence, Vesteda needs to adhere to the requirements of Part 9 of Book 2 of the Dutch Civil Code. Based on these requirements, Vesteda needs to apply IFRS as adopted by the European Union as a basis of preparation for the 2020 consolidated financial statements.

In addition, pursuant to the requirements of Part 9 of Book 2 of the Dutch Civil Code, Vesteda prepared the 2020 company financial statements for Vesteda Residential Fund FGR. These financial statements will be reported to the AFM and are included in this report.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Fund and its affiliated companies as at 31 December 2020. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Vesteda Companies obtain control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

The following entities are included in the consolidated financial statements:

- Vesteda Residential Fund FGR, Amsterdam - Parent entity
- Vesteda Investment Management B.V., Amsterdam - 100%
- Stichting DRF I, Amsterdam - 100%
- Custodian Vesteda Fund I B.V., Amsterdam - 100%
- Vesteda Finance B.V., Amsterdam - 100%
- Vesteda Project Development B.V., Amsterdam - 100%

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are entities (directly or indirectly) controlled by the Fund. Control exists when the Fund is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Fund controls an investee if, and only if, the Fund has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. When the Fund has less than a majority of the voting or similar rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The relevant activities are those which significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are factors that demonstrate that the Fund has the existing rights to direct the relevant activities of a subsidiary.

The Fund re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Fund obtains control over the subsidiary and ceases when the Fund loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Fund gains control until the date the Fund ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss.

Any investment retained is recognised at fair value.

Certain figures have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Going concern

The financial statements are prepared on a going concern basis. See [note 26](#) "Financial risk management objectives and policies" and "Outlook 2021 and management agenda 2021" for further disclosures.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Vesteda's accounting policies, which are described in [Note 4](#), management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

General

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that management has made in the process of applying Vesteda's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Considerations

Revenue recognition

A property sale is recognised when the beneficial ownership, including the financial rights and risks of the ownership, has been transferred.

Classification of property

The Vesteda Companies use the following criteria to determine the classification of a property:

- Investment property comprising land and buildings (principally residential properties) are held primarily to earn rental income and capital appreciation with the exception of properties which are not occupied substantially for use by, or in the operations of, the Vesteda Companies, or for sale in the ordinary course of business (we also refer to [Note 14](#) Investment property).
- Investment property under construction comprises land and buildings (principally residential properties) under construction with the aim of adding said property to the investment property portfolio upon completion.

Operating lease contracts – the Vesteda Companies as lessor

The Vesteda Companies have entered into property leases on their investment property portfolio. Vesteda has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

Lease contracts – the Vesteda Companies as lessee

The Vesteda Companies have entered into land leases as a lessee. Vesteda has determined, based on an evaluation of the terms and conditions of the arrangements, that in most cases the land lease is an operating obligation, as the Vesteda Companies do not retain the significant risks and rewards incidental to ownership.

Tax status

Vesteda is a mutual fund for the joint account of the participants (Dutch: FGR). The Fund is tax transparent and investors can join or leave the Fund through the manager. Participants can hold their partnership contribution in Vesteda through an entity with its own legal and tax structure.

Each participant is therefore responsible for its individual tax liabilities and individual tax compliance obligations as a result of the issue, holding or redemption of participation rights.

The manager is responsible for compliance with the tax rulings relating to the holding and issue and redemption of participation rights.

Vesteda Investment Management B.V., Vesteda Project Development B.V., Vesteda Finance B.V. and Custodian Vesteda Fund (CVF) I B.V. are taxable for Dutch corporate income tax.

Furthermore, the Fund has an arrangement with the Dutch tax authorities known as horizontal supervision and several tax rulings exist regarding VAT and transfer tax.

The Vesteda Companies recognise liabilities for current taxes based on estimates of whether corporate income taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the corporate income and deferred tax provisions in the period in which the determination is made. Any deferred tax asset relating to income tax on the possible offset of losses for tax purposes and differences between accounting policies for commercial and tax purposes is recognised at current tax rates to the extent that it is probable that they can be utilised.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Investment property

Investment property is measured at fair value. The fair value of investment property is determined by external independent real estate valuation experts using recognised valuation techniques as defined in the standards of the Dutch Register of Real Estate Valuers (NRVT), the Royal Institution of Chartered Surveyors (RICS) and other professional bodies. The fair values of properties are determined on the basis of recent real estate transactions - if available - with similar characteristics and locations to those of the Vesteda Companies' assets.

The Discounted Cash Flow Method is used to determine the fair values of the investment property.

The Discounted Cash Flow Method involves the projection of a series of periodic cash flows associated with either an operating property or a development property. An appropriate, market-derived discount rate is applied to this projected cash flow series, to establish an indication of the current value of the income stream associated with the property. The calculated periodic cash flow is typically estimated as gross rental income less vacancy and collection losses and less operating expenses/outgoings. A series of periodic net operating incomes, along with an estimate of the reversion/terminal/exit value (which uses the traditional valuation approach) anticipated at the end of the projection period, are discounted to current value. The aggregate of the net current values equals the market value of the property.

The total portfolio is appraised comprehensively by external independent real estate valuation experts in the course of the year. Vesteda's goal is to conduct comprehensive appraisals on approximately 25% of the portfolio each quarter. The remainder of the quarterly appraisals comprises a desktop update by the external real estate valuation experts.

Investment property under construction

Investment property under construction is also measured at fair value; for the method of determination of fair value, we refer you to the above section, investment property.

As in the case of investment property, the fair value determination, including the necessary estimates involved, is based on the valuation by external independent real estate valuation experts using recognised valuation techniques.

The fair value is assessed by reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less an estimate of the time value of money to the date of completion.

Development risks (such as construction and letting risks) are taken into consideration when determining the fair value of investment properties under construction.

Provisions for contractual obligations

A provision for future construction contracts is recognised if, as a result of a past event, Vesteda has a present construction obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Right-of-use

There are 3 types of Right-of-use applicable for Vesteda: land lease, car lease and rental agreements.

The lease liability is primary the basis for the accounting of the right of use asset. The lease liability is based on the discounted expected future lease payments (including future ground lease redemptions) over the lease term. For determining the lease term the contractual lease term is taken into account with all options the lessee has for lengthening the contract. In general in the Netherlands the lease term is perpetual. Only in the municipality of Amsterdam, the contract has a continuous character with a potential break option by the lessee. As the property is so interlinked with the land lease, Vesteda concluded that the contract term for the Amsterdam contracts is perpetual as well although there is a theoretical break. The future payments are discounted with the incremental borrowing-rate.

If clear information was not readily available for determining the future cash flows, they are based on a fair value assessment at a moment in time at the inception of the contract, such as external valuation reports or benchmarking information from other land leases.

The discount rate was originally based on the yield of 3 outstanding bonds per the 31st of December 2018 the discount rate was calculated and set at 3%. In the short term the discount rate will not be adjusted. However if in the long run the interest rate on the bonds vary too much this can be adjusted.

The effect of inflation for the IFRS 16 position is calculated with 2% per year.

From a tenant perspective the land-leases that Vesteda holds are subject to changes in policy from the municipalities. In Amsterdam a possible transfer from Canon land lease to a perpetual is under option. However the agreement with the municipality is still in process and thus not yet definitive.

4. Summary of significant accounting policies

Legal and tax structure for the financial statements

Vesteda Residential Fund FGR is a contractual investment fund (beleggingsfonds), as defined in section 1:1 of the Dutch Financial Supervision Act (FSA). Vesteda Residential Fund is licensed by the AFM and pursuant to the conditions of this licence Vesteda Investment Management B.V. has appointed Intertrust Depositary Services B.V. to act as depositary for the Fund and has concluded a depositary services agreement with the depositary for the benefit of the Fund and the participants in accordance with article 4:37f of the FSA. The depositary is responsible for the supervision of certain aspects of the Fund's business in accordance with applicable law and the depositary services agreement.

The Fund is an unlisted fund for the joint account of the participants. As such, the economic title to the Fund assets is held by the participants pro rata to their participation rights. The purpose of the Fund is to make investments, and in particular (but not limited to) to invest capital, indirectly or directly, in property mainly designated for residential purposes and located in the Netherlands, for the account and at the risk of the participants. The strategy of the Fund is set out in more detail in the investment guidelines that form part of the Fund's Terms and Conditions.

The Terms and Conditions of Vesteda Residential Fund FGR govern the Fund and they can only be amended by a resolution of the participants.

Participants' rights and obligations in respect of the manager, Vesteda Project Development B.V. and Vesteda Finance B.V., are exercised through the trust office, Stichting Administratiekantoor Vesteda (StAK Vesteda). Participants are granted a power of attorney to attend and exercise voting rights in the general meeting of shareholders of these three companies by StAK Vesteda at their request.

Vesteda Investment Management B.V. (the manager)

The participants have entrusted the manager, Vesteda Investment Management B.V., with the management and operation of the Fund. The manager carries out its task in the sole interest of the participants and within the boundaries described in the Fund's Terms and Conditions. The manager, in its capacity as manager and operator of the Fund, is subject to supervision of the Dutch Financial Markets Authority (AFM) and the Dutch Central Bank (DNB). The manager has obtained a license to act as a manager of an alternative investment fund in accordance with article 2:67 of the FSA on 17 February 2014. The participation rights can only be acquired by professional investors, as defined in section 1:1 of the FSA.

Vesteda Investment Management B.V. owns 100% of the shares of Vesteda Services B.V. Vesteda Services' objective is to perform non-investment-related activities.

Vesteda Finance B.V. and Vesteda Project Development B.V.

Vesteda Finance B.V. will undertake Vesteda's unsecured financing activities on behalf of the Fund. Vesteda Project Development B.V. holds the development projects in the pipeline.

Custodian Vesteda Fund I B.V.

At present, Vesteda has one custodian company. The custodian is the legal owner of the property of the Fund, while the Fund is the beneficial owner. On 17 July 2019, Custodian Vesteda Fund I B.V., Custodian Vesteda Fund II B.V., Custodian Vesteda Fund III B.V., Custodian Vesteda Fund IV B.V. and Custodian Vesteda Fund V B.V. merged into one company, Custodian Vesteda Fund I B.V. All legal rights and obligations of Custodian Vesteda Fund I B.V., Custodian Vesteda Fund II B.V., Custodian Vesteda Fund III B.V., Custodian Vesteda Fund IV B.V. and Custodian Vesteda Fund V B.V. were transferred into Custodian Vesteda Fund I B.V.

Vesteda Residential Fund FGR is a mutual fund, which is not a legal entity under the laws of the Netherlands.

Stichting DRF I

Stichting DRF I (Foundation Dutch Residential Fund I) is the depositary receipt holder of the shares to Vesteda Investment Management B.V., Vesteda Project Development B.V. and Vesteda Finance B.V., issued by Stichting Administratiekantoor Vesteda. Stichting DRF I also holds all the shares in Custodian Vesteda Fund I B.V.

Accounting policies

Rental income

Rental income from operating leases is recognised when it becomes receivable. Incentives for tenants to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis.

Service charges

Service charges comprise income from service charges, which are charged to tenants and service charges which are non-recoverable.

Property operating expenses

Property operating expenses comprise costs directly attributable to a specific property. These costs are mainly maintenance costs, property tax and other levies, insurance premiums, management and letting fees and service costs not chargeable to tenants.

Borrowing costs

Borrowing costs directly attributable to the construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other income

Other income is recognised when realised.

Net rental income

Net rental income is the rental income plus other income less property operating expenses.

Result on projects in progress

Profit is recognised in proportion to the amount of the project that has been completed.

Result on property sales

A property (or property under construction) is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally upon the unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions have been fulfilled. The result on property sales is the proceeds from sales (less any facilitation costs), less the most recent carrying value of the properties sold, established each quarter.

Vesteda values its investment property per complex rather than per individual unit. As indicated in [Note 14](#), potential proceeds from the sale of individual units are taken into account in the valuation.

In determining the book value of an individual unit, the last determined valuation by an external appraiser of the property as a whole is allocated to the number of units in the property. This allocation takes into account the size of the specific unit and specific characteristics of the unit, such as floor level, corner unit, garden, balcony, etc. This allocation does not take into account the sales proceeds from the sale of individual units (so called vacant values) in the discounted cash flow model of the external independent real estate valuation experts. The allocation criteria per property is set at the moment the first unit is sold.

Management expenses

Any expenses that cannot be allocated directly to the various properties are regarded as management expenses.

Financial results

Interest income and expenses are recognised as they accrue using the effective interest method. Financial results also includes amortisation of financing costs and the cost of the unwind transaction derivatives.

Realised result

The realised result is the sum of the net rental income and results from property sales and projects in progress, less management expenses and financial results.

Unrealised result

The unrealised result is made up of unrealised gains and losses directly related to property investments.

Corporate income tax

Entities within the Vesteda Companies that are subject to corporate income tax do not recognise any difference between accounting and taxable income. As such, taxation on income is calculated by applying the standard rate of tax to the taxable amount. If such a taxable amount is negative, Vesteda only recognises a benefit if there is a possibility to carry back the loss to years where taxes have been paid and if a refund is expected. The Vesteda Companies recognise deferred tax assets in relation to loss carry forwards to the extent that it is probable that taxable profits will be available. The Fund itself is exempt from corporate income taxes.

Intangible fixed assets

Intangible fixed assets are recognised at cost less straight-line depreciation and any impairment. Depreciation is based on the estimated useful contribution of the assets in question, which varies from three to seven years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Investment property

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to render the property suitable for operational purposes. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, where parties traded in an informed, diligent way and without compulsion.

Gains or losses arising from changes in the fair values are included in the statement of comprehensive income in the year in which they arise.

A property interest that is held under an operating obligation is classified and accounted for as investment property, if said property interest would otherwise meet the definition of an investment property.

The determination of the fair value for investment property is based on the income approach in line with IFRS 13. Taking into account the limited public data available, the complexity of real estate asset valuations, as well as the fact that external independent real estate valuation experts use the rents and property operating expenses of Vesteda's assets in their valuations, Vesteda believes it is appropriate to classify its investment property under Level 3. In addition, external independent real estate valuation experts use unobservable inputs, including their own assumptions on discount rates, dates, interest rates, inflation and exit yields, to determine the fair value of Vesteda's investment property.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Land leases

When Vesteda enters a land lease, at the inception of a contract, Vesteda assesses whether that contract is, or contains, a lease. A lease is a contract where the right to direct the use of an asset owned by another party and to obtain the economic benefits deriving from that asset are transferred to Vesteda. Where Vesteda is a lessee, Vesteda recognizes a right of use asset and a lease liability.

At initial recognition, the lease liability is measured at the present value of the lease payments in the lease, including any renewal options where it is reasonably certain Vesteda will exercise the option and the lease payments due after exercising the option are estimable. On the land lease term, Vesteda has taken into account a perpetual view.

These payments are discounted using the implicit rate in the lease or, where this rate is not determinable, at the interest rate implicit in the lease or Vesteda's incremental borrowing rate for borrowings secured by a similar asset and for a similar term as the lease. Lease payments include fixed payments and variable payments that depend on an index or rate including any renewal options included in the determination of the term of the lease. Subsequently, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured when the lease agreement is modified or if there are changes to variable payments dependent on an index or rate.

At inception, the right of use asset comprises of the lease liability plus any direct costs of obtaining the lease less any incentives provided by the lessor. The right of use asset is presented under the investment property and valued at fair value.

Investment property under construction

Investment property under construction, subsequent to initial recognition, is also stated at fair value.

As is the case with investment property, the fair value determination, including any necessary estimates, is based on the valuation by independent real estate valuation experts using recognised valuation techniques.

For the method of determination of fair value, we refer you to the section investment property.

Development risks (such as construction and letting risks) are taken into consideration when determining the fair value of investment properties under construction.

Property, plant and equipment

The head office of Vesteda is reappraised on a quarterly basis by an external independent real estate valuation expert. Positive revaluations are not recognised directly into equity but in the OCI section of the statement of comprehensive income. If a negative revaluation occurs in excess of the positive revaluation reserve this excess shall be recognised in the profit or loss section of the statement of comprehensive income.

Vesteda applies straight-line depreciation, based on an estimated useful life, over the depreciable amount, this being the carrying amount less residual value.

Other property, plant and equipment are recognised at cost, less straight-line depreciation and any impairment.

Depreciation is based on the estimated useful life of the assets concerned, which is between three and ten years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The right-of-use asset value of car lease contracts and office rental contracts is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses. The right of use is adjusted for any remeasurement of the lease liability, when applicable.

Any gain or loss arising upon the derecognition of an asset is included in the statement of comprehensive income.

Financial assets

- Associates: if significant influence is exercised on the commercial and financial policy of participating interest, those interests are accounted for using the equity method based on net asset value.
- Other participating interests are recognised at fair value through profit or loss.
- Loans receivable are recognised at amortised cost. Where necessary, there is a write-down for doubtful debts.

Receivables

Receivables are recognised at amortised cost, which is generally in line with face value, less a provision for doubtful debts.

Cash and cash equivalents

Cash is cash on hand and at bank. Cash is recognised at face value.

Share-based payment transactions of Vesteda

Cash-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of cash-settled share-based transactions are set out in [Note 28](#).

The fair value determined at the grant date of the cash-settled share-based payments is expensed on a straight-line basis over the vesting period, based on Vesteda's estimate of the number of equity instruments that will eventually vest. At each reporting date, Vesteda revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Financial liabilities

Loans are initially recognised at fair value. After initial recognition, loans are subsequently measured at amortised cost using the effective interest method. Interest expense is attributed to the period to which it relates and recognised through the statement of comprehensive income. Financing costs are recognised at cost less straight-line amortisation. Amortisation is parallel to the maturity of the inherent loans.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications or other modifications.

Derivatives

The Vesteda Companies can use derivatives such as interest rate swaps to hedge changes in interest rates. The derivatives are used to hedge the risk of uncertain future cash flows. As per end December 2020 Vesteda had no derivative financial instruments outstanding.

Provisions

Provisions are recognised if Vesteda has an obligation from a past event and it is probable that the obligation will have to be settled and a reliable estimate can be made of the amount of the obligation. The amount of a provision is set using the best estimate of the amount that will be required to settle the obligations and losses at the reporting date.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Pensions

Vesteda has arranged its pension obligations by joining Dutch pension fund ABP. The ABP pension plan is a multi-employer plan, in which actuarial and investment risks are almost entirely for the account of employees. Employers who join this plan have no obligation to contribute additional premium in the event of a deficit. Vesteda's obligations are limited to the contribution of the premium set by the pension fund. The Managing Board of ABP determines this premium annually on the basis of its own data files and with reference to the parameters and requirements specified by the supervising authority of ABP (the Dutch Central Bank DNB).

The premium obligation arises from being a participant in the pension plan in the current year and does not originate from having joined the pension plan in previous years. From a reporting point of view, the ABP pension plan qualifies as a defined contribution (DC) plan. Consequently the premium is recognised as an expense for the year, and no further explanation is required.

Current liabilities

Trade payables and other current liabilities are recognised at amortised cost, which is generally in line with face value.

5. Gross rental income

Gross rental income can be broken down as follows:

	2020	2019
Theoretical rent	347	339
Loss of rent	12	10
Gross rental income	335	329

Theoretical rent increased, caused by the fact that the number of units in the portfolio in 2020, compared to 2019, increased. The total number of units at the end of 2020 increased with 192 units, from 27,290 (2019) to 27,482 (2020). This is a result from inflow, two residential building sales and individual unit sales. Also, the Theoretical rent increased due to the annual rent increase and rent optimisation resulted in a like for like rental growth of 2.7% (2019: 3.6%). Low inflation and the fact that Vesteda voluntarily capped the annual average rent increase to CPI plus 1%, resulted in a rent increase of 2.2% in July 2020. The loss of rent as a percentage of theoretical rent increased, which was mainly caused by higher vacancy in the Higher rental segment. The impact of COVID-19 is noticeable in declining demand for these units from for instance expats or self-employed, and more supply due to the offering of short stay units (like Airbnb or hotel rooms) on the rental market.

The Fund, predominantly consisting of residential investment property, leases its property investments in the form of contracts with indefinite duration. The nature of the (theoretical) rent has an indefinite duration because there are no fixed rental contract periods and tenancy is in the bases only ended by the tenant. The impact of COVID-19 is noticeable in declining demand for these units from for instance expats.

6. Service charges income

Service charges income can be specified as follows:

	2020	2019
Total service charges	15	14
Non-recoverable service charges	5	5
Service charges income	10	9

The non-recoverable service charges were caused by partly non-recoverable settlements with associations of owners and general residential costs which cannot be charged to tenants.

7. Property operating expenses

Property operating expenses can be specified as follows:

	2020	2019
Property (and related) taxes	13	12
Landlord levy	3	3
Property management costs	9	9
Maintenance costs	38	33
Fitting out costs	3	3
Letting and marketing fees	4	4
Miscellaneous operational costs	9	8
Total	79	72

Operating expenses, including non-recoverable service charges, amounted to 25.0% of gross rental income in 2020 (2019: 23.3%).

Taxes consist primarily of property taxes. The property management costs, letting and marketing fees are management expenses allocated to the property operating expenses.

Direct operating expenses arising from investment property that did not generate rental income during the period amounts €0.5 million in 2020.

8. Result on property sales

The result on property sales can be specified as follows:

	2020	2019
Result on property sales of investment property	7	13
Total	7	13

The total result of €7 million (2019: €13 million) is related to the portfolio sales and individual unit sales.

As indicated in the accounting policies, results from the sale of individual units are based on the book value, which is derived from a specific allocation of the last determined property value before the sale. The sales price (excluding sales expenses) of all the units individually sold is approximately 15% higher than the average vacant value of all the units individually sold.

9. Management expenses

The management expenses comprise:

	2020	2019
Salaries	15	14
Social security charges	2	2
Pension charges	2	2
Depreciation expenses	3	2
Other operating expenses	18	15
Gross property management costs	40	35
Presented within net rental income	(14)	(12)
Total	26	23

Management expenses came in at €26 million, €3 million more than the €23 million recorded in 2019 due to higher other operating expenses, higher salary costs and higher depreciation expenses in 2020.

The increase in 'Other operating expenses' is mainly related to IT costs and additional (temporarily) staff for (post) ERP activities.

The gross property management costs and the allocated expenses include the IFRS 16 related costs of €1.1 million.

The Vesteda Companies employed an average of 227 people (2019: 207) in the year under review; this was an average of 208.7 FTEs (2019: 189.3 FTEs). All employees are employed in the Netherlands.

10. Financial results

The financial results can be specified as follows:

	2020	2019
Interest expenses	39	37
Interest income	-	-
Amortisation of financing costs	2	3
Total	41	40

Interest expenses were higher compared to 2019 due to higher average debt.

11. Unrealised results

The unrealised results can be specified as follows:

	2020	2019
Revaluation investment property	273	617
Revaluation investment property under construction	4	39
Movements in provisions for contractual obligations	(5)	(8)
Results from participating interests	1	2
Revaluation right of use landlease	3	3
Total	276	653

The value of the portfolio increased due to inflow of projects and continuing favourable market conditions, especially in the Fund's primary regions.

12. Tax

The income tax expenses for the year can be reconciled with the accounting profit as follows:

	2020	2019
Result before tax	467	855
Income tax expense calculated at 25%	117	213
Effect of income that is exempt from taxation	(116)	(212)
Income tax expense recognised in profit or loss	1	1

There is no deferred tax asset for tax loss carry forwards and differences in measurement for expected future profitability of Vesteda Project Development B.V.

The total tax loss carry forward can be specified as follows:

2012	13
2015	2
2018	3
2019	-
2020	-
Total	18

The tax loss can be carried forward for nine years after the loss is recognised. This deferred tax asset has not been capitalised. Tax losses as from 2020 and onwards can be carried forward for six years after the loss is recognised.

13. Other comprehensive income

The other comprehensive income during the year can be specified as follows:

	2020	2019
Settlement pre-hedge contracts	1	(6)
Revaluation Property, Plant and Equipment	-	1
Total	1	(5)

14. Investment property

The investment property can be specified as follows:

	2020	2019
Investment property as at 1 January	7,818	7,024
Acquisitions	-	-
Capital expenditure on property	41	44
Transfer from property under construction	116	246
Property sales	(61)	(240)
Right of use assets (land leases)	26	127
Revaluation	273	617
Investment property as at 31 December	8,213	7,818

The fair value of completed investment property has been determined on a market value basis, in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC).

The valuation is prepared on an aggregated ungeared basis. As set out in [Note 3](#), in arriving at their estimates of market values, the valuation experts have used their market knowledge and professional judgement rather than relying exclusively on comparable historical transaction data.

The valuations were performed by accredited external independent real estate valuation experts with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being appraised.

The fair value of the assets is driven by the net cash flows generated by the assets, which are taken into account by the market, in combination with the discount rate development. The generated cash flow is the net rental income plus the net sales proceeds from the sale of individual units.

The following main inputs have been used in the valuation of the investment property:

Average	2020		2019	
	Sell	Hold	Sell	Hold
Discount rate (%)	5.4	5.1	5.8	5.5
Exit yield (%)	5.1	5.0	4.9	5.0
Rental growth (%)	2.1	2.1	2.1	2.3
Vacant value growth (%)	2.3	2.2	2.7	2.6

Sell	2020			2019		
	primary	secondary	other	primary	secondary	other
Discount rate (%)	5.3	5.7	6.4	5.8	6.0	6.1
Exit yield (%)	5.0	5.8	7.1	4.9	5.6	6.9
Rental growth (%)	2.1	2.0	2.1	2.2	2.0	1.9
Vacant value growth (%)	2.2	2.0	2.3	2.7	2.3	2.0

Hold	2020			2019		
	primary	secondary	other	primary	secondary	other
Discount rate (%)	5.0	5.6	6.0	5.4	6.0	6.2
Exit yield (%)	4.8	6.1	6.2	4.8	6.5	6.3
Rental growth (%)	2.1	2.0	2.2	2.3	2.0	2.1
Vacant value growth (%)	2.2	2.0	2.3	2.7	2.3	2.4

Sell	2020			2019		
	<737	737 - 1,200	> 1,200	<720	720 - 1,200	> 1,200
Discount rate (%)	5.7	5.5	5.2	6.1	5.8	5.7
Exit yield (%)	5.5	5.3	4.7	5.3	5.1	4.5
Rental growth (%)	2.1	2.1	2.1	2.2	2.1	2.2
Vacant value growth (%)	2.4	2.3	1.9	2.7	2.6	2.8

Hold	2020			2019		
	<737	737 - 1,200	> 1,200	<720	720 - 1,200	> 1,200
Discount rate (%)	5.2	5.0	5.1	5.8	5.5	5.3
Exit yield (%)	5.3	4.9	4.8	5.9	5.0	4.7
Rental growth (%)	2.1	2.1	2.2	2.1	2.3	2.3
Vacant value growth (%)	2.3	2.2	2.3	2.6	2.7	2.5

In cases where the discount rate is higher than the exit yield can be explained by the current market in view of increasing prices and decreasing yields for residential complexes. The opposite situation (discount rate < exit yield) in the segment "Other" is caused by the higher investment risk related to this type of real estate (less value-fixed real estate (example: residential complexes in the higher rental segment) is more sensitive to market forces).

These inputs are considered to be the most important drivers in the valuation of investment property.

In the last quarter of 2020 the appraisers have (partly) implemented the increase in the transfer tax from 2% to 8% as from January 1, 2021 in the valuations. In general they applied the current percentage of 2% for transfer tax in the appraisals because the new transfer tax only takes effect after the valuation date of 31 December 2020. But they applied the 8% to determine the value at the end of the consideration period

External independent real estate valuation experts determine the fair values using discounted cash flow models with a 10-year period. When calculating the present values, the valuation experts use discount rates in the DCF models to account for the time value of money and reflect the inherent risk with regard to the cash flows in the model. Exit yields are indicators used to determine the exit values that can be achieved at the end of the DCF lifetime. Rental growth is the average rental growth in the 10-year period of the discounted cash flow model. Vacant value growth is the average vacant value growth in the 10-year period that is assumed in the cash flow model.

Sensitivity analysis

The table below presents the sensitivity of the valuation to changes in the significant parameters driving the underlying valuation of investment property. The analysis was carried on the investment property value excluding the value of the right of use asset (land leases).

	-100 bps	Fair value	+100 bps
As at 31 December 2019			
Discount rate	8,136	7,691	7,231
Exit yield	8,269	7,691	7,252
Rental growth	7,431	7,691	7,950
Vacant value growth	7,535	7,691	7,848
As at 31 December 2020			
Discount rate	8,535	8,060	7,570
Exit yield	8,668	8,060	7,595
Rental growth	7,779	8,060	8,341
Vacant value growth	7,901	8,060	8,222

Right of use assets

Under the investment property the right of use of land leases are included as an integral part of the investment property value.

To reconcile the by external independent real estate valuation experts appraised investment property, the value of the investment property value presented should be adjusted by the land lease right of use.

	2020
Investment property value	8,213
less Right of use	(153)
Valuation as per valuation report	8,060

15. Investment property under construction

	2020	2019
As at 1 January	194	257
Acquisitions property under construction	-	-
Capital expenditure on property under construction	99	150
Transfer to investment property	(116)	(246)
Revaluation	4	39
Transfer from provisions	(7)	(6)
As at 31 December	174	194

As set out in [Note 3](#), in arriving at their estimates of market values, the external independent real estate valuation experts used their market knowledge and professional judgment, rather than relying exclusively on comparable historical transaction data.

The fair value of the assets under construction is driven by the net future cash flow generated by the assets, in combination with the discount rate development. The generated cash flow includes the net rental income plus the net sales proceeds from the sale of individual units.

The future costs until completion amount to €220 million (2019: €164 million). This amount is included in construction contracts in [Note 31](#).

16. Property, plant and equipment

	Buildings	Others PP&E	Total
As at 1 January 2019	13	3	16
Investments	-	1	1
Transfer within PP&E	-	-	-
Depreciations	-	(1)	(1)
Revaluation	1	-	1
Right of use	-	3	3
As at 31 December 2019	14	6	20
Investments	-	-	-
Transfer within PP&E	-	-	-
Depreciations	-	-	-
Revaluation	-	-	-
Right of use	-	-	-
As at 31 December 2020	14	6	20

The economic life of the head office of Vesteda in Amsterdam 'De Boel' is set at twenty-five years and the residual value amounts to €5 million. An independent valuation expert valued the building at fair value for an amount of €14.0 million. For the determination of the fair value, we refer you to the explanation provided in [Note 4](#).

De Boel cost specification

- Cost price de Boel: €11 million
- Accumulated depreciation: €1 million
- Accumulated revaluation: €4 million
- Balance: €14 million

The investments made in 2020 are largely related to the fixtures & fittings (amortisation period of 10 years) and furniture (amortisation period of five years) for the office De Boel.

The value of the other property, plant and equipment amounts to €6 million (2019: €6 million). Under the application of IFRS 16 Leases, the right of use of car lease contracts and office lease contracts is valued at €3 million.

Other property, plant and equipment specification

1. Acquisition costs: €8 million
2. Cumulative depreciation: €6 million
3. Right of use lease contracts: €3 million
4. Gross carrying amount: €6 million

17. Financial assets

The financial assets movements can be specified as follows:

	LRC	Other Participations	Total
Financial assets as at 31 December 2019	3	1	4
Contribution and loans provided	4	-	4
Repayment of loans	(2)	-	(2)
Result	1	-	1
Financial assets as at 31 December 2020	6	1	7

	2020	2019
Total invested	24	21
Provision	(17)	(17)
Financial assets as at 31 December	7	4

In circumstances in which provisions for onerous contracts arise at the same time that financial assets are presented at the balance sheet date for the related contract, these balances are netted at said balance sheet date. In the event of a positive balance, the net position is presented as a financial asset. In the event of a negative balance, the net position is presented as a provision (see [Note 23](#)).

18. Trade and other receivables

The trade and other receivables can be specified as follows:

	2020	2019
Loans receivable	17	17
Provision for loans receivable	(13)	(13)
Trade receivables	7	5
Provision for trade receivables	(1)	(2)
Other receivables	6	4
Total	16	11

Loans receivable relate to amounts overdue for an amount of €17 million (2019: €17 million), for which a provision for doubtful debts was recognised in the amount of €13 million (2019: €13 million). Trade receivables include a provision for doubtful debts of €1 million (2019: €2 million) for overdue amounts. Other receivables consist of €4 million Vesteda portfolio receivables (2019: €3 million) and €2 million prepaid costs (2019: €1 million).

19. Cash and cash equivalents

The cash and cash equivalents can be specified as follows:

	2020	2019
Cash at bank and on hand	2	3
Total	2	3

Cash and cash equivalents are at the free disposal of the Fund.

20. Group equity

The participation rights issued can be specified as follows:

	2020	2019
As at 1 January	35,897,595	35,897,595
Issued in the year	-	-
Redeemed in the year	-	-
As at 31 December	35,897,595	35,897,595

The participation rights carry a nominal value of €1.00, and all participation rights are fully paid. There are no restrictions relating to profit and capital distribution. For further information on movements, we refer you to the consolidated statement of changes in equity.

The distributions can be specified as follows:

	2020	2019
January	37	36
April	81	73
July	39	37
August	-	161
October	39	37
Total	195	344

The interim distributions amount to 60% of budgeted distribution for 2020, and was paid out in three instalments (3 x €38.5 million) in the course of the financial year, each within two weeks after the end of the quarter. The distribution paid in April 2020 also included the €42.7 million distribution (€1.19 per participation right) related to the financial results for 2019.

The remaining part of the distribution for the financial year 2020 will be paid out in two instalments after the closing of the financial year 2020, one in January, shortly after the fourth quarter, and one after the adoption of the distribution proposal in April 2021. The total distribution proposed for the financial year 2020 will be €184 million.

Vesteda Residential Fund FGR is a mutual fund, which is not classified as a legal entity under Dutch law. Vesteda Residential Fund FGR does therefore not have any legal requirements related to reserves. However, the Fund has decided to present its statement of changes in equities as if the Fund was subject to the rules for the determination of revaluation reserves.

The property reserve is the difference between the market value and historical book value. The revaluation of property is accounted for in the event of positive revaluations. Negative revaluation is deducted from this reserve, as long as the reserve is positive on an individual basis.

In 2020, no new participation rights were issued, redeemed or withdrawn.

In each financial year, participants may request redemption of their participation rights in accordance with the Terms and Conditions and the fund manager will seek to satisfy these redemption requests, for which an amount of at least €50 million will be made available in each financial year. If the participants make no redemption requests during the year, the amount of €50 million available for redemption requests in that particular year will be rolled over to the next year, unless the participants determine otherwise by ordinary consent.

In 2020, no participants submitted a redemption request. It will be proposed to the Annual Meeting of Participants to be held on 7 April 2021 that the amount of €50 million made available for redemption requests in 2020 not be rolled over to the financial year 2021.

Earnings per participation right

Basic earnings per participation right are calculated by dividing the result after tax for the year attributable to equity holders of the parent/participants by the weighted average number of participation rights outstanding during the year. The table below reflects the income and number of participation rights used in the basic earnings per participation right computations:

	2020	2019
Result after tax attributable to equity holders	466	854
Weighted average number of participation rights	35,897,595	35,897,595
Earnings per participation right in €		
Basic and diluted earnings, on result after tax	12.98	23.79

There have been no other transactions involving a change in the number of participation rights or the number of potential participation rights between the reporting date and the date these financial statements were completed.

Net asset value (NAV) per participation right

Basic IFRS NAV per participation right is calculated by dividing net assets in the balance sheet attributable to ordinary equity holders of the parent/participants by the number of participation rights at year-end. The following reflects the net asset value and number of participation rights used in the basic NAV per participation right computations:

	2020	2019
NAV attributable to equity holders of the parent	6,294	6,022
Participations at year-end	35,897,595	35,897,595
Net Asset Value (NAV) per participation right in €		
Basic and diluted IFRS NAV	175.32	167.74

There is no difference between basic and diluted IFRS NAV.

21. Financial liabilities

The (non-current) financial liabilities can be specified as follows:

	Bank facilities	Bonds	Private placements	Total
As at 1 January 2019	343	796	300	1,439
Drawn	655	500	-	1,155
Repayments	(991)	-	-	(991)
Reclass to Current liabilities	(8)	-	-	(8)
Financing costs	-	(6)	-	(6)
Amortisation	1	1	-	2
As at 31 December 2019	-	1,291	300	1,591
Drawn/Issued	-	-	100	100
Repayments	-	-	-	-
Reclass to Current liabilities	-	-	(100)	(100)
Financing costs	-	-	-	-
Amortisation	-	1	-	1
As at 31 December 2020	-	1,292	300	1,592

Debt funding

The information below is provided for explanatory purposes with regard to the Vesteda Companies' long-term funding.

The Vesteda Companies obtain their debt funding through various sources:

1. Bank facilities, comprising corporate unsecured bank funding provided by banks.
2. Euro Commercial Paper issued by Vesteda Finance B.V. (see Current liabilities)
3. Bonds, issued by Vesteda Finance B.V. under the EMTN programme.
4. Private Placements under the EMTN programme as well bi-lateral agreements placed by Vesteda Finance B.V.

Corporate unsecured funding

Vesteda Finance B.V. acts as borrower and issuer of all corporate unsecured debt on behalf of Vesteda Residential Fund FGR. As per 31 December 2020, Custodian Vesteda Fund I B.V. acts as a guarantor for all obligations of the corporate unsecured debt that is borrowed or issued by Vesteda Finance B.V.

	ECP	Bank facilities	Private placements	Total
As at 1 January 2019	-	343	-	343
Drawn	1,355	656	-	2,011
Repayments	(1,140)	(990)	-	(2,130)
As at 31 December 2019	215	9	-	224
Drawn	1,425	2,204	-	3,629
Repayments	(1,430)	(2,206)	-	(3,636)
Reclass from financial liabilities	-	-	100	100
As at 31 December 2020	210	7	100	317

1) Bank facilities

In February 2020, the second (and last) extension option of the Revolving Facility Agreement (RFA) was exercised. Five out of six lenders in the RCF approved this request. This means that €630 million out of €700 million was extended by one year to June 1, 2025. €70 million matures on June 1, 2023 as this lender declined the extension option last year as well. The facility is provided by the lenders ABN Amro, Rabobank, BNP Paribas, Deutsche Bank, ING and SMBC. The remaining legal term is 4.4 years. At year-end 2020, the total facility of €700 million was undrawn.

Pricing of the revolving credit facility is subject to a margin grid, whereby an LTV below 27.5% equates to a margin of 0.50%. Utilised commitment less than 33.3% equates to a utilisation fee of 0.10% and utilised commitments exceeding 33.3% but less or equal to 66.7% equate to a utilisation fee of 0.20%. Utilised commitments exceeding 66.7% equate to a utilisation fee of 0.40%.

Vesteda has an uncommitted overdraft facility with bank SMBC for €200 million. Being an uncommitted facility it can be terminated at any time, with a Review Date of 31 May 2021. The facility is funded on SMBC's cost of funds plus a margin of 0.60%. The remaining legal term is 0.5 years. At year-end 2020, an amount of €4 million was outstanding and €196 million was undrawn.

In December 2020 we signed a term loan agreement with the European Investment Bank (EIB). This agreement will have a tenor of 10 years and allow fixed rate and floating rate funding. Drawdowns can be made up to one and a half year after signing. The proceeds of this loan agreement will be used to fund projects in (regulated) mid-rental housing and to improve the sustainability of Vesteda's existing portfolio, up to 50% of the total investments. This loan enables Vesteda to fund itself at very attractive rates, which will improve the Internal Rate of Return for projects in affordable housing. The EIB loan meets our funding targets, as it increases the average maturity and improves the average cost of debt. It also further diversifies our funding structure with EIB as a reputable debt investor.

2) Euro Commercial Paper

For the short term funding need, Vesteda introduced the Euro Commercial Paper programme up to €1 billion. By use of this programme, Vesteda is able to fund itself at a negative rate. At year end, this was in use for €210 million. This consists of 9 tranches from €10 million to €50 million with tenors from 1 month up to 3 months. The average rate at year end was around -0.4%.

3) Bonds

In 2020, Vesteda Finance B.V. continued its borrowing of senior unsecured notes that were issued under its program for the issuance of Euro Medium Term Notes (EMTN). Standard & Poor's rated the notes BBB at the time of issuance. The credit rating of the notes was upgraded to BBB+ in 2016, in line Standard & Poor's credit rating upgrade of Vesteda Residential Fund:

- The first tranche of €300 million senior unsecured notes with an interest rate of 1.75%, issued in July 2014 and due on 22 July 2019 was repaid early, on 23 April 2019.
- A second tranche of €300 million senior unsecured notes was issued in October 2015. The notes pay an annual fixed coupon of 2.50% (effective interest rate of -0.05%) and are due on 27 October 2022. The intended remaining term to maturity of the notes is 1.8 years.
- A third tranche of €500 million senior unsecured notes was issued in July 2018. The notes pay an annual fixed coupon of 2.00% (effective interest rate of 0.05%) and are due on 10 July 2026. The intended remaining term to maturity of the notes is 5.5 years.
- In May 2019 Vesteda issued its first Green Bond for an amount of €500 million in senior unsecured notes. The transaction was more than six times oversubscribed. The notes pay an annual fixed coupon of 1.50% and are due on 24 May 2026 (effective interest rate of 0.21%). The intended remaining term to maturity of the notes is 6.4 years.

4) Private Placements

The first private placement is an €100 million borrowing with funds provided by PRICOA Capital Group under a note purchase agreement. The senior notes have a fixed annual coupon of 3.18% (effective interest rate of -0.15%), payable on a semi-annual basis and are due on 8 May 2021. The intended remaining term to maturity of the notes is 0.4 years.

A second €100 million private placement borrowing with funds provided by PRICOA Capital Group under a note purchase agreement. The senior notes have a fixed annual coupon of 1.80% (effective interest rate of 0.18%), payable on a semi-annual basis and are due on 16 December 2026. The intended remaining term to maturity of the notes is 6.0 years.

The green private placement consist of two note purchase agreements. A ten year tranche of €50 million at a fixed semi-annual coupon of 1.03% (effective interest rate of 0.57%) and a fifteen year tranche of €50 million at a fixed semi-annual coupon of 1.38% (effective interest rate of 1.01%). The intended remaining term to maturity of the notes are 10 and 15 years respectively.

A third tranche of 100 million private placement borrowing in senior unsecured notes under its program for the issuance of Euro Medium Term Notes (EMTN). Standard & Poor's rated notes BBB+ at the time of issuance:

- A tranche of €35 million senior unsecured notes pay an annual fixed coupon of 1.899% (effective interest rate of 0.31%) and are due on 15 December 2027. The intended remaining term to maturity of the notes is 7.0 years;
- A tranche of €65 million senior unsecured notes pay an annual fixed coupon of 2.478% (effective interest rate of 0.74%) and are due on 15 December 2032. The intended remaining term to maturity of the notes is 12.0 years.

22. Lease liabilities

The lease liabilities can be specified as follows:

	2020	2019
Land leases	152	127
Car leases	2	2
Office rental contracts	1	1
Total	155	130

	2020	2019
Maturity		
Year 1	1	1
Year 2-5	2	2
Onwards	153	127
Total	155	130

	2020	2019
Current	1	1
Non-current	154	129

As of 1 January 2019 IFRS 16 is implemented in the balance sheet and P&L. The impact in 2020 is €155 million. This includes land leases (€152 million), car leases and rent of offices (€3 million).

In 2020 the land lease liability and related right of use asset increased with €25.0 million based on a reassessment of the underlying assumptions for the measurement of the lease liabilities in Amsterdam, including the 'WOZ'-values (fiscal values), yearly lease payments and BSQ's.

Land lease liabilities

The land liabilities are calculated based on a perpetual view. These land leases require monthly, quarterly, (semi) annual payments if the lease obligation is not redeemed for a certain time frame. For some land leases, a variable component is applicable based on an index. The lease liabilities are reassessed and re-measured after a new index is applicable or the lease payments are changed after a certain time frame by the lessor based on contractual terms.

The assumptions are based on the value of the contracts, or in case of the land leases based on value of the ground (WOZ) x increase factor (market increase). The weighted average discount rate used in 2020 by Vesteda for discounting the lease payments is 2.8%.

23. Provisions

The current provisions movements can be specified as follows:

	2020	2019
As at 1 January	6	4
Additions	5	8
Decrease	-	-
Used	-	-
Transfer to IPUC	(7)	(6)
As at 31 December	4	6

In circumstances in which provisions for onerous contracts arise at the same time that financial assets are presented at the balance sheet date for the related contract, these balances are netted at said balance sheet date. In the event of a positive balance, the net position is presented as a financial asset. In the event of a negative balance, the net position is presented as a provision.

The current provisions can be specified as follows:

	2020	2019
Contingencies and commitments	3	5
Other provisions	1	1
As at 31 December	4	6

24. Trade and other payables

The trade and other payables can be specified as follows:

	2020	2019
Trade payables	10	5
Rental deposits	24	22
Interest	12	12
VAT integration levy	-	1
Holiday days and holiday pay	2	1
Tax and social security contributions	6	4
Other payables	25	41
Total	78	85

25. Transactions with related parties

Vesteda has a pension plan with ABP. In 2020, Vesteda paid premiums in the amount of €2.2 million (2019: €2.0 million). This counterparty is also a participant in the Fund. All transactions are at arm's length.

The Management Board and the Supervisory Committee are identified as key management personnel in accordance with IAS 24. The remuneration of the Management Board and the Supervisory Committee is explained in [Note 28](#) and [Note 29](#) respectively.

26. Financial risk management objectives and policies

Vesteda's principal financial liabilities, other than derivatives, are loans and borrowings. The main purpose of Vesteda's loans and borrowings is to finance the Vesteda Companies' property portfolio. As part of its business strategy, Vesteda uses debt financing to optimise its equity return by utilising a conservative level of debt leverage.

The Vesteda Companies also have trade and other receivables, trade and other payables and cash and short-term deposits that arise directly from their operations.

Vesteda Residential Fund FGR is exposed to market risk, interest rate risk, credit risk and liquidity risk. Please note that when this report was written, a year passed since the outbreak of the coronavirus (COVID-19). Vesteda has taken measures regarding the operational activities of the company to prevent the further spread of the virus. Although the impact on the Global and Dutch economy is severe, but at this point the impact on Vesteda is limited.

Vesteda has a well diversified fully unsecured funding structure as explained in the [Funding](#) section of this report. At year-end 2020 there was ample headroom in the LTV and ICR covenants (LTV at 23.3% with a covenant of maximum 50% and an ICR of 6.7 versus a covenant minimum of 2.0). The weighted average maturity of our debt is 4.9 year with the next debt redemption scheduled in May 2021 (€100 million). We have a strong liquidity position: At year end 2020 our drawn debt amounted to €1.9 billion whereas our existing liquidity sources amounted to €2.5 billion of committed facilities and €0.9 billion of uncommitted facilities. We expect to have sufficient liquidity sources and headroom in our financial covenants to cover our funding needs in at least the next twelve months.

Vesteda has fully incorporated risk management in its strategic and operational processes. The risk management framework addresses all levels and lines of business in order to ensure 'in control' performance.

The Vesteda Management Board assesses its proper functioning on a regular basis and continues to pursue further improvement and optimisation of the internal risk management and control procedures.

In addition to the risk management framework, Vesteda also actively manages market risk, interest rate risk, credit risk and liquidity risk as part of its treasury policy.

1) Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate due to changes in market prices.

The financial instruments held by Vesteda Residential Fund FGR that are affected by market risk are principally the derivative financial instruments used to hedge interest risk on its loan portfolio. As per end-December 2020, Vesteda Residential Fund FGR had no derivative financial instruments outstanding.

2) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Vesteda's exposure to the risk of changes in market interest rates relates primarily to Vesteda's long-term debt obligations with floating interest rates.

Vesteda must at all times meet its obligations under the loans it has taken out, including the interest cover ratio with a minimum of 2.0 and loan-to-value covenant with a maximum of 50%.

According to the Fund's Terms and Conditions, Vesteda is required to hedge a minimum of 70% of existing interest rate exposure.

To manage its interest rate risk, Vesteda Residential Fund FGR can enter into interest rate swaps or fixed rate debt. With respect to the interest rate swaps, Vesteda agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated as hedges of underlying debt obligations. Prior to the bond issue, Vesteda Residential Fund FGR arranged two interest rate swaps that were unwound at the date of the bond issue. As per December 2020, Vesteda Residential Fund FGR has no derivative financial instruments outstanding. At 31 December 2020, 89% of Vesteda's borrowings were subject to a fixed interest rate (2019: 88%).

Sensitivity analyses of market and interest rate risk

Vesteda performed an interest rate risk sensitivity scenario using an immediate increase of one percentage point in the interest rate curve as at 31 December 2020. The analysis was prepared on the basis that the amount of net debt and the ratio of fixed-to-floating interest rates of the debt are constant. As Vesteda Residential Fund FGR had no derivative financial instruments outstanding at the reporting date, interest rate risk sensitivity has no impact on equity or the fair value of derivative financial instruments.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial liabilities held at the reporting date.

An interest rise of 1% has effect on Vesteda's floating debt and fixed debt that matures in one year. Per year end 2020 Vesteda has €218 million of floating debt and €100 million fixed debt that matures in one year. An interest rise of 1% would cause an increase of interest expenses of €3.2 million.

3) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations by virtue of a financial instrument or customer contract, leading to a financial loss. Vesteda is exposed to credit risk from its leasing activities and its financing activities, including deposits with banks and financial institutions and derivatives if applicable.

Tenant receivables

Credit risk is managed by requiring tenants to pay rent in advance. Vesteda assesses the credit quality of tenants using an extensive credit rating scorecard at the time they enter into a lease agreement. Vesteda regularly monitors outstanding receivables from tenants. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial asset. The COVID-19 pandemic has consequences for our tenants. We offer customised solutions to our tenants in case of financial problems. This is done by accommodating payment arrangements or if needed with the tenant finding a rental house which better suits their monthly incomes. In certain cases, primarily with commercial tenants, we offer a discount on the rent. The outstanding receivables increased slightly at this point. At this moment (17 March 2021), there is not a significant increase in the loss of rent.

Credit risk related to financial instruments and cash deposits

Vesteda's treasury department manages credit risk from balances with banks and financial institutions. As part of its treasury policy, Vesteda maintains a formal counterparty policy in respect of those organisations from which it may borrow or with which it may enter into other financing or investment arrangements. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Vesteda's Management Board reviews counterparty credit limits at least on an annual basis, and may update these at any time in the year should market conditions require any changes to the counterparty credit limits. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

As part of its treasury policy, Vesteda strives for sufficient diversification in Vesteda's counterparties and to limit concentration risk.

4) Liquidity risk

Liquidity risk is the risk that (1) Vesteda will not be able to refinance maturing debt funding, or (2) if debt is refinanced, the maturity and interest rate of the financing will have a significant unplanned adverse effect on Vesteda's cash flow and liquidity position. In addition, (3) Vesteda must at all times meet its obligations under the loans it has taken out including the interest cover ratio and loan-to-value covenant.

Vesteda limits these risks by conservative use of loan capital, ensuring sufficient headroom under its financial covenants and fixing at least 70% of its interest rates in order to mitigate adverse effects of interest rate volatility.

Vesteda's treasury department manages liquidity risk with the objective of ensuring that Vesteda has sufficient funds available to meet its financial obligations. As part of its treasury policy, Vesteda aims to have adequate though not excessive cash resources, borrowing arrangements and overdraft or standby facilities to enable it at all times to have the level of funds available it needs to achieve its business objectives.

Vesteda's objective is to maintain a balance between continuity of funding and flexibility. Vesteda uses a diverse range of financing instruments for its financing, through banks loans and capital markets. Debt maturities are chosen in line with the long-term character of Vesteda's assets, taking into account a good spread in the maturity profile of its debt portfolio.

The table below summarises the maturity profile of Vesteda's financial liabilities based on contractual undiscounted payments.

Liquidity risk

	On demand	< 3 months	3-12 months	1-5 years	> 5 years	Total
Year ended 31 December 2019						
Interest-bearing loans and borrowings	10	215	-	400	1,200	1,825
Interest	-	-	30	123	39	192
Deposits from tenants	22	-	-	-	-	22
Financial derivatives	-	-	-	-	-	-
Trade and other payables	-	53	-	-	-	53
	32	268	30	523	1,239	2,093
Year ended 31 December 2020						
Interest-bearing loans and borrowings	8	210	100	300	1,300	1,918
Interest	-	-	32	99	49	179
Deposits from tenants	24	-	-	-	-	24
Financial derivatives	-	-	-	-	-	-
Trade and other payables	-	43	-	-	-	43
	32	253	132	399	1,349	2,164

Estimated interest obligations for the bank facilities are based on the outstanding amount at year-end.

Fair value of financial Instruments

This section describes the comparison between the carrying amounts of the Vesteda Companies' financial instruments and their estimated fair values. Trade and other receivables and Trade and other payables are carried at amortised cost, but given their short duration, the fair value does not significantly deviate from the carrying amount (Level 3 valuation).

Cash and cash equivalents are recognised at fair value. With respect to financial assets, management concluded that the carrying amount is an appropriate estimate of the fair value. With respect to the floating rate financial liabilities (both short term and long term), these are carrying a variable interest rate based on Euribor plus a mark-up, which also takes into account the perceived credit risk of the Vesteda Companies. As a result, their carrying amount approximates their fair value.

The fair value measurement of senior public notes issued by Vesteda Finance B.V. can be qualified as Level 1 valuation. Inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

The fair value measurement of the senior private notes that were placed by Vesteda Finance B.V. can be qualified as Level 2 valuation, with inputs other than quoted market prices included within Level 1 that are observable for the asset or liability. In this case, interest rates and yield curves are observable at commonly quoted intervals.

The fair value measurement of the senior notes placed by Vesteda Finance B.V. under its EMTN program as a private placement transaction can be qualified as Level 2 valuation, with inputs other than quoted market prices included within Level 1 that are observable for the asset or liability. In this case, interest rates and yield curves are observable at commonly quoted intervals.

The senior public notes, the senior private notes and the senior notes privately placed under the EMTN program are all fixed rate.

Fixed rate debt is initially recognised at fair value net of transaction costs and subsequently measured at amortised cost using the effective interest method.

Financial instruments

Type	Notional amount	Estimated fair value amount	Level valuation
Senior public notes	1,300	1,403	1
Senior private notes	400	432	2
	1,700	1,835	

The €1,300 million in senior public notes represented an equivalent fair value estimate of €1,403 million at year-end 2020.

The €300 million in senior private notes represented an equivalent fair value estimate of €316 million at year-end 2020.

The €100 million in senior notes privately placed under the EMTN program represented an equivalent fair value estimate of €116 million at year-end 2020.

The estimated fair value amounts are excluding accrued interest.

The fair value of the senior public notes is determined on the basis of quoted prices, while the fair value of the senior private notes and the senior notes privately placed under the EMTN program is determined based on inputs other than quoted prices.

27. Capital management

The primary objective of the Vesteda Companies' capital management is to ensure that the Fund remains within its banking covenants and maintains a strong credit rating. The Vesteda Companies monitor capital primarily using a loan-to-value (LTV) ratio, which is calculated as the amount of outstanding debt divided by the valuation of the investment property portfolio.

Vesteda's loan facilities have LTV covenants of 50% at VRF level (corporate unsecured debt).

In the year under review, the Vesteda Companies did not breach any of their loan covenants, nor did they default on any other of their obligations under their loan agreements.

Capital management

	2020	2019
Carrying amount of interest-bearing loans and borrowings	1,907	1,814
Capitalised financing costs	9	11
Principal amount of interest-bearing loans and borrowings	1,916	1,825
External valuation of completed investment property (excl. IFRS16)	8,060	7,691
External valuation of investment property under construction	174	194
Total valuation of investment property	8,234	7,885
Loan to value ratio	23.3%	23.1%

Vesteda has performed a sensitivity stress test with regard to changes in required gross yield in relation to the loan-to-value ratio. An increase of the required gross yield of 5.0 percentage points (from 4.4% to 9.4%) would lower the value of the investment property to such extent that an LTV of 50% would be reached.

28. Management Board and other identified staff remuneration

With regard to remuneration, Vesteda is in compliance with the Dutch Financial Supervision Act (FSA) provision on the remuneration of Identified Staff. The Management Board together with the Management Team members are considered Identified Staff, as well as two risk/compliance members (the Compliance Officer and the Internal Auditor). Amounts in this paragraph are in €.

In 2020, the company was charged €965,000 (2019: €884,000) for the remuneration of the Management Board, consisting of €708,000 base salary (2019: €698,000) and €170,000 variable remuneration (2019: €186,000).

In addition, social security charges and pension contributions amounted to €78,000 in 2020 (2019: €75,000) for the Management Board.

In 2020 the Supervisory Committee determined the individual variable bonus for 2019 of the Management Board and the Management Team. The Management Board declined, on their own initiative, pay-out of the variable bonus for 2019 in light of their sense of social responsibility. For this reason, the Supervisory Committee decided not to distribute the determined variable bonus 2019 (€186,000) to the Management Board.

The 2020 remuneration charges below include reservations for variable remuneration over 2020 to be awarded in 2021. The variable remuneration to be awarded will have a deferred component. Following the approval of the annual accounts for 2020, the Supervisory Committee will grant the target rewards for the Management Board for the year 2020.

	Management Board	Other Identified Staff*
Charged to the company in 2020 (accrual basis)		
Base salary charges	708,000	661,000
Variable remuneration charges 2020 (for future cash or shares)	170,000	86,000
Social security charges & pension contributions	78,000	144,000
Release of variable remuneration provided for in 2019	(186,000)	-
Total charged to the company in 2020	770,000	891,000
<i>*Other identified staff as per 31-12-2020</i>		
#Phantom shares granted before 2019	5,048	982
#Phantom shares granted in 2019	1,186	510
#Phantom shares cashed in 2019	131	218
#Phantom shares granted end of 2019	6,103	1,274
#Phantom shares granted in 2020	-	381
#Phantom shares cashed in 2020	-	173
#Phantom shares granted end of 2020	6,103	1,482
#Phantom shares not locked up end of 2020	4,601	614
#Phantom shares locked up until May 2021	458	244
#Phantom shares locked up until May 2022	570	240
#Phantom shares locked up until May 2023	474	204
#Phantom shares locked up until May 2024	-	180
Phantom share value as per 31.12.2020	170.14	

As per year end 2020, one phantom share represents a value of €170.14 (based on INREV NAV, excluding distribution to be paid for 2020).

The variable bonus scheme for Identified Staff was designed in compliance with the relevant provisions of the Dutch Financial Supervision Act (FSA).

In principle the bonus scheme for Identified Staff entitles the CEO to 26.6% of base salary for 'on target' performances, with a maximum of 40%. It entitles the CFO to 20% of base salary for 'on target' performances, with a 30% maximum. The Internal Auditor and Compliance Officer have no bonus scheme. All other Identified Staff (Chief Investment Officer (CIO) and Chief Operating Officer (COO)) are entitled to 20% of base salary for 'on target' performance, with a maximum of 30%. The Director Human Resources is entitled to 12% of base salary for 'on target' performance.

The bonus component is paid based on the achievement of preset qualitative and quantitative goals related to the strategic objectives in the business plan, which are set and evaluated by the remuneration committee of the Supervisory Committee. The bonus remuneration is divided into a direct and an indirect (deferred) component. Both the direct component and the deferred component are paid out half in so-called phantom shares and half in cash.

The direct component is paid immediately after the one-year performance period, and an indirect, deferred component is paid out or received after a period of three years. The direct phantom share component and the indirect phantom share component are subject to an appropriate retention policy which is aimed at balancing financial rewards with the company's long-term interests.

To achieve an even stronger commitment on the part of the management to the strategy and the business of the Fund, Identified Staff are entitled to exchange the cash component for phantom shares.

The variable remuneration policy for Identified Staff also includes clawback provisions. Up and until 2018 these provisions have not been applicable.

29. Supervisory Committee remuneration

The remuneration for the five Supervisory Committee members in 2020 was €218,000 (2019: €203,000).

The remuneration of the Supervisory Committee members remained unchanged in 2020. The increase in 2020 is due to the transition in the composition of the Supervisory Committee in 2019 with some of the members serving less than a full year

30. Service fees paid to external auditors

The management expenses include the following amounts charged by Deloitte for audit services €475,000 (2019: €494,000), for audit related services €83,000 (2019: €93,000) and for other services €147,000 (2019: 70,000).

The audit committee approved the other services charged by Deloitte.

Deloitte did not charge costs related to tax advisory services provided in either year.

31. Contingencies and commitments

The total liabilities for obligations entered into for construction contracts, rental and lease instalments stood at €220 million at end-2020 (2019: €164 million). Rental and lease instalment liabilities are accounted for under Lease liabilities. Vesteda has not provided security for these liabilities. The liabilities can be specified as follows:

	Construction contracts
Due within 1 year	92
Due between 1 and 5 years	128
Total	220

As part of the provisions in [Note 23](#) are applicable to the future investment portfolio, the liabilities have also been adapted for the commitments related to the future investment portfolio.

32. New and amended standards and interpretations

New and amended IFRS standards that are effective for the current year

In the current year, Vesteda has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) – and endorsed by the European Union – that are effective for an annual period that begins on or after 1 January 2020. Vesteda did not adopt any new or amended standards issued but not yet effective.

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IAS 1 and IAS 8: Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform.
- Amendments to IFRS 3 Business Combinations
- Amendments to IFRS 16: Impact of the initial application of COVID-19-Related Rent Concessions

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and revised IFRS Standards in issue but not yet effective

At the date of authorization of these financial statements, Vesteda has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and [in some cases] had not yet been adopted by the EU.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9
- IFRS 17 Insurance Contracts [not yet adopted by EU]
- Amendments to IFRS 3 Business Combinations [not yet adopted by EU]
- Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use [not yet adopted by EU]
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent assets [not yet adopted by EU]
- Annual Improvements 2018-2020 [not yet adopted by EU]
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current [not yet adopted by EU]
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates [not yet adopted by EU]
- Proposed amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 [not yet adopted by EU]

Vesteda does not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

33. Events after balance sheet date

There were no significant events after the reporting date.

Company financial statements

These company financial statements are part of the (complete) 2020 financial statements of Vesteda Residential Fund FGR (Vesteda) and therefore, they should be read in conjunction with the consolidated financial statements of Vesteda, and the 2020 annual report (including the Management report) of Vesteda. Amounts are in € million.

Balance sheet (after proposed appropriation of result)

For the year ended 31 December 2020; amounts in € million

	Note	31-12-2020	31-12-2019
ASSETS			
Non-current assets			
Investment property	3	8,213	7,818
Investment property under construction	4	131	126
Property, plant and equipment	5	17	17
Financial assets	6	117	108
		8,478	8,069
Current assets			
Trade and other receivables	7	4	6
Cash and cash equivalents	8	2	3
		6	9
Total assets		8,484	8,078
EQUITY AND LIABILITIES			
Equity			
Fund equity	9	35	35
General paid in surplus	9	1,845	2,040
Revaluation reserves	9	2,630	2,391
Derivatives reserves	9	(5)	(6)
Legal reserves	9	3	3
Other reserves	9	1,786	1,559
		6,294	6,022
Provisions	10	3	5
Non-current liabilities			
Payables to associated companies	11	1,592	1,591
Lease liabilities		155	130
		1,747	1,721
Current liabilities			
Payables to associated companies	12	370	263
Trade and other payables	13	70	67
		440	330
Total liabilities		2,190	2,051
Total equity and liabilities		8,484	8,078

Profit and loss account

For the year ended 31 December 2020; amounts in € million

	Note	2020	2019
Share in result of associated companies	6	(13)	(4)
Other income and expense after taxation		480	853
Result after taxation		467	849

Notes to the company financial statements

1. Corporate information

The company financial statements and the consolidated financial statements of Vesteda Residential Fund FGR and the affiliated entities (the Vesteda Companies) for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Management Board on 17 March 2021. Vesteda Residential Fund FGR (the Fund) is a mutual fund. Vesteda Investment Management B.V. is the fund manager, with its registered office and its actual place of business located at De Boelelaan 759, Amsterdam, the Netherlands and filed with the Trade Register at the Chamber of Commerce under number 14071789.

The principal activity of Vesteda Residential Fund FGR is to invest in Dutch residential properties.

The Fund and its manager are subject to the Financial Supervision Act (Wet financieel toezicht 'Wft').

2. Basis of preparation

Vesteda Residential Fund FGR (the fund) is not a legal entity. These financial statements present the company financial information of the fund. The company financial statements have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. Use has been made of the option extended under Book 2, Article 362, Section 8, Dutch Civil Code to apply the accounting policies used in the consolidated financial statements to the company financial statements.

- For the general principles for the preparation of the financial statements, the principles for valuation of assets and liabilities and determination of the result, as well as for the notes to the specific assets and liabilities and the results, reference is made to the notes to the consolidated financial statements, if not presented otherwise hereinafter.
- As a result of the license obtained from the AFM, Vesteda needs to comply with the Alternative Investment Fund Managers Directive (AIFMD). As a consequence, Vesteda needs to adhere to the requirements of Part 9 of Book 2 of the Dutch Civil Code.

The company financial statements are presented in euro and all amounts are rounded to the nearest million, except where otherwise indicated.

Participations in group companies

Participations in group companies in which significant influence is exercised on the business and financial policy, are valued under the net equity value, but not lower than nil. This net asset value is based on the same accounting principles as applied by Vesteda FGR. If the net asset value is negative, the participating interest is valued at nil. This likewise takes into account other long-term interests that should effectively be considered part of the net investment in the participating interest. If the company fully or partly guarantees the liabilities of the associated company concerned, or has the effective obligation respectively to enable the associated company to pay its (share of the) liabilities, a provision is formed. Upon determining this provision, provisions for doubtful debts already deducted from receivables from the associated company are taken into account.

Legal reserve for associated companies

The legal reserve for associated companies is formed in the amount of the share of Vesteda FGR in the results and direct increases of the associated companies since the initial valuation of these associated companies at net asset value, insofar as Vesteda FGR cannot realise a distribution without limitations. The statutory reserve for associated companies is determined individually.

3. Investment property

The investment property is made up as follows:

	2020	2019
Investment property as at 1 January	7,818	7,024
Acquisitions	-	-
Capital expenditure on owned property	78	157
Transfer from property under construction	85	101
Property sales	(61)	(240)
Right of use assets (land leases)	26	127
Revaluation	267	649
Investment property as at 31 December	8,213	7,818

4. Investment property under construction

	2020	2019
As at 1 January	126	119
Capital expenditure on property under construction	97	99
Transfer from Provisions	(7)	(6)
Transfer to Investment Property	(85)	(101)
Revaluation	-	15
As at 31 December	131	126

As set out in [Note 3](#), in arriving at their estimates of market values, the valuation experts used their market knowledge and professional judgment, rather than relying exclusively on comparable historical transaction data.

The fair value of the assets under construction is driven by the net future cash flow generated by the assets, in combination with the discount rate development. The generated cash flow includes the net rental income plus the net sales revenues from selling of individual units.

5. Property, plant and equipment

	Buildings
As at 1 January 2019	13
Investment	-
Depreciations	-
Revaluation	1
Right of use	3
As at 31 December 2019	17
Investment	-
Depreciations	-
Revaluation	-
Right of use	-
As at 31 December 2020	17

6. Financial assets

The financial assets are made up as follows:

	Participations			Total
	Vesteda Investment Management BV	Vesteda Project Development BV	Vesteda Finance BV	
As at 1 January 2019	19	93	2	114
Changes in 2019	1	(6)	1	(4)
Other movements	(1)	-	(1)	(2)
As at 31 December 2019	19	87	2	108
Changes in 2020	1	11	1	13
Other movements	(4)	-	-	(4)
As at 31 December 2020	16	98	3	117

Besides participations in Vesteda Investment Management BV, Vesteda Finance BV and Vesteda Project Development BV, the Fund also has 100% of the participations in Stichting DRF I and Custodian Vesteda Fund I B.V.

7. Trade and other receivables

The trade and other receivables are made up as follows:

	2020	2019
Trade receivables	1	3
Other receivables	3	3
Total	4	6

The trade receivables include a provision for doubtfulness of €1 million (2019: €1 million) for overdue amounts.

8. Cash and cash equivalents

The cash and cash equivalents are made up as follows:

	31-12-2020	31-12-2019
Cash at bank and on hand	2	3
Total	2	3

Cash and cash equivalents are at the free disposal of the Fund.

9. Equity

The participation rights issued can be specified as follows:

	Fund equity	General paid in surplus	Reserve				Total equity
			Property	Derivatives	Legal	Other reserve	
As at 1 January 2019	35	2,384	1,791	-	2	1,305	5,517
Result for the year	-	-	645	-	-	209	854
Other comprehensive income	-	-	-	(6)	1	-	(5)
Total comprehensive income	-	-	645	(6)	-	209	849
Realised from property sales	-	-	(45)	-	-	45	-
Distribution paid	-	(344)	-	-	-	-	(344)
As at 31 December 2019	35	2,040	2,391	(6)	3	1,559	6,022
Result for the year	-	-	244	-	-	222	466
Other comprehensive income	-	-	-	1	-	-	1
Total comprehensive income	-	-	244	1	-	222	467
Realised from property sales	-	-	(5)	-	-	5	-
Distribution paid	-	(195)	-	-	-	-	(195)
As at 31 December 2020	35	1,845	2,630	(5)	3	1,786	6,294

Proposals to investors

Proposed appropriation of result for 2020

The Management Board proposes that the profit for the year of €466 million be added to equity. This proposal has been incorporated in the annual report.

Proposed distribution to participants

The Management Board proposes a distribution to participants of €184 million for the year 2020, of which €115 million was paid in the financial year 2020 and €39 million was paid in January 2021. The financial statements will be presented for adoption at the General Meeting of Participants on 7 April 2021. Following the adoption, the remaining €30 million will be paid as a final distribution for 2020.

10. Provisions

The current provisions are made up as follows:

	2020	2019
As at 1 January	5	3
Additions	5	8
Decrease	-	-
Used	-	-
Transfer to IPUC	(7)	(6)
As at 31 December	3	5

11. Payables to associated companies

The financial liabilities are made up as follows:

	Loan Vesteda Finance BV
As at 1 January 2020	1,591
Drawn	1,455
Discount	-
Repayments	(1,140)
Reclass to Current liabilities	(315)
Financing costs	-
Amortisation	1
As at 31 December 2020	1,592

12. Payables to associated companies

	Vesteda Investment Management BV	Vesteda Finance BV	Vesteda Project Development BV	Total
As at 1 January 2020	13	225	25	263
Drawn	22	3,633	31	3,686
Repaid	(27)	(3,636)	(16)	(3,679)
Transfer from non-current liabilities	-	100	-	100
As at 31 december 2020	8	322	40	370

13. Trade and other payables

The trade and other payables are made up as follows:

	2020	2019
Trade payables	7	6
Rental deposits	24	22
Interest	12	12
VAT integration levy	-	1
Tax and social security contributions	4	3
Other	23	23
Total	70	67

14. Other comprehensive income

The other comprehensive income arising during the year are made up as follows:

	2020	2019
Settlement pre-hedge contracts	1	(6)
Revaluation Property, Plant and Equipment	-	1
Total	1	(5)

15. Transactions with associated companies

In 2020 transactions have been made between Vesteda FGR, Vesteda Finance BV, Vesteda Investment Management BV and Vesteda Project Development BV for loans provided and interest accrued.

At year-end the balances relating to these loans amount to:

Vesteda Finance BV: €1.92 billion

Vesteda Investment Management BV: €8.5 million

Vesteda Project Development BV: €38.7 million

In 2020 also transactions have been made between Vesteda FGR and Vesteda Investment Management BV for management expenses charged from Vesteda Investment Management BV to the Fund for an amount of €28.2 million.

Reference is made to [Note 33](#) of the notes to the consolidated financial statements for a description of the events after balance sheet date.

Signing of the financial statements

Amsterdam, 17 March 2021

Signed by:

G. van der Baan
CEO

F. Vervoort
CFO

16. Other information

Appropriation of result according to the Fund's Terms and Conditions

In Article 22 of the Fund's Terms and Conditions regulations the following has been presented concerning the appropriation of result: Subject to the retention of reserves as reasonably deemed necessary by the Manager, all Distributable Income allocated for distribution shall be distributed to the Participants pro rata their respective Participation Rights. Distributable Income means the realised result less the result on property sales, provided that if the amount calculated pursuant to the above formula is less than zero, it shall be deemed to be zero.

Independent auditor's report

Reference is made to the auditor's report as included hereinafter.

Independent auditor's report

To the participants and the Supervisory Committee of Vesteda Residential Fund FGR

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of Vesteda Residential Fund FGR, based in Amsterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Vesteda Residential Fund FGR as at 31 December 2020, and of its result and its cash flows for 2020 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Vesteda Residential Fund FGR as at 31 December 2020, and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at 31 December 2020.
2. The following statements for 2020: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at 31 December 2020.
2. The company profit and loss account for 2020.
3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Vesteda Residential Fund FGR in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at €62 million. The materiality is based on 1% of group equity. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Committee that misstatements in excess of €3.1 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Vesteda Residential Fund FGR is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Vesteda Residential Fund FGR.

Our group audit mainly focused on significant group entities.

We have performed all audit procedures ourselves for all group entities.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Committee. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Summary of procedures and activities
<p>Valuation of investment property</p> <p>Refer to notes 14 and 15 to the consolidated financial statements.</p> <p>As at 31 December 2020 the Company held a portfolio of investment property with a fair value of €8,060 million, excluding IFRS 16 right-of-use asset (31 December 2019: €7,691 million) and investment property under construction of €174 million (31 December 2019: €194 million).</p> <p>The portfolio consist of €7,913 million residential, €84 million commercial, €41 million healthcare and €22 million parking properties.</p> <p>At the end of each reporting period, the management board determines the fair value of its investment property portfolio in accordance with the requirements of IAS 40 and IFRS 13. The Company uses external valuation reports issued by external independent professionally qualified valuers to determine the fair value of its investment property.</p> <p>As the valuation of investment property is inherently judgmental in nature, due to the use of assumptions that are highly sensitive, any change in assumptions may have a significant effect on the outcome given the relative size of the investment property balance. The most significant assumptions and parameters involved, given the sensitivity and impact on the outcome.</p>	<p>Our audit procedures included, among others, the following: We have gained understanding of the valuation process and tested design and implementation of the Company's relevant controls with respect to the data used in the valuation of the property portfolio.</p> <p>We evaluated the competence of the Company's external appraiser, which included consideration of their qualifications and expertise.</p> <p>In relation to the significant assumptions in the valuation of investment property we have:</p> <ul style="list-style-type: none"> • determined that the valuation methods as applied by the management board, as included in the valuation reports, are appropriate; • we have challenged the significant assumptions used (such as capitalization rate, market rental income, market-derived discount rate) against relevant market data. We have involved our internal real estate valuation experts in these assessments. <p>Observation: We found that, with the (significant) assumptions used in the valuation reports, the valuation of the investment property is valued within a reasonable range.</p>
<p>ERP data migration</p> <p>Vesteda has deployed and implemented a standardized ERP solution. In Q2 2020 Vesteda migrated from its legacy IT system to the new ERP system.</p> <p>We considered Vesteda's IT landscape and controls over financial reporting as basis of designing audit procedures that are appropriate for our audit.</p>	<p>Our audit procedures included, among others, the following: We have evaluated the quality controls governing the implementation of the new ERP system.</p> <p>We have also tested the migration of general ledger data from the legacy IT system to the new ERP system. In testing the transfer of data from the legacy IT system to the new ERP system, we have tested the key controls over completeness and accuracy of the data transferred. We have involved our internal IT experts in these assessments.</p> <p>Observation: Based on our procedures performed the risks of material misstatement we identified are sufficiently addressed.</p>

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contain other information that consists of:

- Management Report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.
- Other included information.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the Supervisory Committee as auditor of Vesteda Residential Fund FGR on 1 April 2015, as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year.

Description of responsibilities regarding the financial statements

Responsibilities of management and the Supervisory Committee for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Committee is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 17 March 2021

Deloitte Accountants B.V.

Signed on the original: J. Holland

Vesteda Residential
Fund FGR financial
overviews in
accordance with
INREV valuations
principles

A decorative graphic consisting of two thick, curved lines. One line is a vibrant green, starting from the bottom left and curving upwards and to the right. The other line is a warm orange, starting from the top left and curving downwards and to the right. The two lines overlap in the center of the page.

General introduction

To provide investors with information on the transition from Net Asset Value (NAV) according to IFRS to adjusted NAV based on INREV valuation principles, the Vesteda Residential Fund FGR (VRF FGR) also publishes its financial statements in accordance with the INREV valuation principles.

The fundamental assumption underlying the adjusted INREV NAV of VRF FGR is that it should give a more accurate reflection of the economic value of VRF FGR and a participation in VRF FGR, as it would be realised by a participant in a theoretical sale, as of the balance sheet date, assuming an arm's length transaction, a willing buyer/seller and an adequate time to market.

The adjusted INREV NAV is based on the IFRS valuation principles plus the deviations described below.

	Note	Actual impact on 2020 figures	Actual impact on 2019 figures
NAV per the IFRS financial statements			
Reclassification of certain IFRS liabilities as components of equity			
Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	1	N/A	N/A
Effect of dividends recorded as a liability which have not been distributed	2	N/A	N/A
NAV after reclassification of equity-like interests and dividends not yet distributed			
Fair value of assets and liabilities			
Revaluation to fair value of investment properties	3	N/A	N/A
Revaluation to fair value of self-constructed or developed investment property	4	N/A	N/A
Revaluation to fair value of investment property held for sale	5	N/A	N/A
Revaluation to fair value of property that is leased to tenants under a finance lease	6	N/A	N/A
Revaluation to fair value of real estate held as inventory	7	N/A	N/A
Revaluation to fair value of other investments in real assets	8	N/A	N/A
Revaluation to fair value of indirect investments not consolidated	9	N/A	N/A
Revaluation to fair value of financial assets and financial liabilities	10	Yes	Yes
Revaluation to fair value of construction contracts for third parties	11	N/A	N/A
Set-up costs	12	N/A	N/A
Acquisition expenses	13	Yes	Yes
Contractual fees	14	N/A	N/A
Effects of the expected manner of settlement of sales/vehicle unwinding			
Revaluation to fair value of savings of purchaser's costs such as transfer taxes	15	N/A	N/A
Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	16	N/A	N/A
Effect of subsidiaries having a negative equity (non-recourse)	17	N/A	N/A
Other adjustments			
Goodwill	18	N/A	N/A
Non-controlling interest effects of INREV adjustments	19	N/A	N/A
INREV NAV			

Consolidated statement of profit or loss and other comprehensive income in accordance with INREV valuation principles

For the year ended 31 December 2020; amounts in € million

	2020 IFRS	Adj.	2020 INREV	2019 IFRS	Adj.	2019 INREV
Gross rental income	335		335	329		329
Service charge income	10		10	9		9
Property operating expenses (excluding service charges)	(79)		(79)	(72)		(72)
Service charges	(15)		(15)	(14)		(14)
Net rental income	251		251	252		252
Result on disposals	7		7	13		13
Management expenses	(26)		(26)	(23)		(23)
Financial results	(41)		(41)	(40)		(40)
Realised result before tax	191		191	202		202
Unrealised result	276		276	653		653
Result before tax	467		467	855		855
Tax	(1)		(1)	(1)		(1)
Result after tax (attributable to equity holders of the parent)	466		466	854		854
Other comprehensive income that will be reclassified subsequently to profit or loss						
- Settlement pre-hedge contracts	1		1	(6)		(6)
Positive revaluation on Property, Plant and Equipment	-		-	1		1
Fair value adjustment on liabilities	-	(37)	(37)	-	(93)	(93)
Acquisition costs on Investment property (under construction)	-	(5)	(5)	-	(7)	(7)
Other comprehensive income, net of tax	1		(41)	1		(105)
Total comprehensive income (attributable to equity holders of the parent)	467		425	855		749

Consolidated statement of financial position in accordance with INREV valuation principles

For the year ended 31 December 2020; amounts in € million

	31 December 2020 IFRS	Adj. 31 December 2020 INREV	31 December 2019 IFRS	Adj. 31 December 2019 INREV
ASSETS				
Non-current assets				
Intangible fixed assets	8	8	8	8
Investment property	8,213	17	7,818	22
Investment property under construction	174	174	194	194
Property, plant and equipment	20	20	20	20
Financial assets	7	7	4	4
	8,422	8,439	8,044	8,066
Current assets				
Trade and other receivables	16	16	11	11
Cash and cash equivalents	2	2	3	3
	18	18	14	14
Total assets	8,440	17	8,058	22
EQUITY AND LIABILITIES				
Equity				
Group equity	6,294	(118)	6,022	(76)
Non-current liabilities				
Financial liabilities	1,592	135	1,591	98
Lease liabilities	154	154	129	129
	1,746	135	1,720	98
Current liabilities				
Financial liabilities	317	317	224	224
Provisions	4	4	6	6
Trade and other payables	78	78	85	85
Lease liabilities	1	1	1	1
	400	400	316	316
Total liabilities	2,146	135	2,036	98
Total equity and liabilities	8,440	17	8,058	22

Consolidated statement of changes in equity in accordance with INREV valuation principles

For the year ended 31 December 2020; amounts in € million.

	Fund Equity	General paid-in surplus	Reserve				Total equity
			Property	Derivatives	Legal	Other reserve	
As at 1 January 2019	35	2,383	1,834	-	5	1,284	5,541
Result for the year	-	-	644	-	3	207	854
Other comprehensive income	-	-	-	(6)	1	(100)	(105)
Total comprehensive income	-	-	644	(6)	4	107	749
Realised from property sales	-	-	(45)	-	-	45	-
Distribution paid	-	(344)	-	-	-	-	(344)
Changes according to INREV	-	-	(7)	-	-	7	-
As at 31 December 2019	35	2,039	2,426	(6)	9	1,443	5,946
Result for the year	-	-	235	-	-	231	466
Other comprehensive income	-	-	-	1	-	(42)	(41)
Total comprehensive income	-	-	235	1	-	189	425
Realised from property sales	-	-	(5)	-	-	5	-
Distribution paid	-	(195)	-	-	-	-	(195)
Changes according to INREV	-	-	(5)	-	-	5	-
As at 31 December 2020	35	1,844	2,651	(5)	9	1,642	6,176

Certain figures have been rounded off; consequently, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

INREV expense metrics

	2020	2019
Total Expense Ratio (NAV)	0.44%	0.41%
Total Expense Ratio (GAV)	0.32%	0.30%
Real Estate Expense Ratio (GAV)	1.02%	0.98%

The increase in ratio of the Total Expense Ratio (both NAV and GAV) from 2019 to 2020 is mainly due to the increase of fund expenses in 2020.

Fund expenses are the management expenses in the consolidated statement of comprehensive income. Property-specific expenses are the property operating expenses, including non-recoverable service charges in the consolidated statement of comprehensive income.

The weighted average INREV NAV is calculated as the closing INREV net asset value of five individual quarters (Q4 2019 – Q4 2020), divided by five. The quarterly figures for Q1, Q2 and Q3 2020 are unaudited.

The weighted average INREV GAV is calculated as the closing INREV gross asset value of five individual quarters (Q4 2019 – Q4 2020), divided by five. The quarterly figures for Q1, Q2 and Q3 2020 are unaudited.

The Total Expense Ratio (NAV) is calculated by dividing the fund expenses by the weighted average INREV net asset value.

The Total Expense Ratio (GAV) is calculated by dividing the fund expenses by the weighted average INREV gross asset value.

The Real Estate Expense Ratio (GAV) is calculated by dividing the property-specific expenses by the weighted average INREV gross asset value.

Notes to the INREV financial statements

Amounts in € million

	Note	31-12-2020	31-12-2019
NAV per the IFRS financial statements		6,294	6,022
Reclassification of certain IFRS liabilities as components of equity			
Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders long term interests in a vehicle	1		
Effect of dividends recorded as a liability which have not been distributed	2		
NAV after reclassification of equity-like interests and dividends not yet distributed		6,294	6,022
Fair value of assets and liabilities			
Revaluation to fair value of investment properties	3		
Revaluation to fair value of self-constructed or developed investment property	4		
Revaluation to fair value of investment property held for sale	5		
Revaluation to fair value of property that is leased to tenants under a finance lease	6		
Revaluation to fair value of real estate held as inventory	7		
Revaluation to fair value of other investments in real assets	8		
Revaluation to fair value of indirect investments not consolidated	9		
Revaluation to fair value of financial assets and financial liabilities	10	(135)	(98)
Revaluation to fair value of construction contracts for third parties	11		
Set-up costs	12		
Acquisition expenses	13	17	22
Contractual fees	14		
Effects of the expected manner of settlement of sales/vehicle unwinding			
Revaluation to fair value of savings of purchaser's costs such as transfer taxes	15		
Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments	16		
Effect of subsidiaries having a negative equity (non-recourse)	17		
Other adjustments			
Goodwill	18		
Non-controlling interest effects of INREV adjustments	19		
INREV NAV		6,176	5,946

1 Effect of reclassifying shareholder loans and hybrid capital instruments (including convertible bonds) that represent shareholders' long-term interests in a vehicle

Investors' capital can take various forms aside from equity; examples include shareholder loans and hybrid capital instruments, such as convertible bonds. Some vehicles are structured via a combination of equity participations and shareholder loans.

Shareholder loans and hybrid capital instruments are generally seen as part of the investors' overall interest in the vehicle.

Since investors in VRF FGR only invest via participation rights according to the Terms and Conditions, no adjustment was applicable.

2 Effect of dividends recorded as a liability that have not yet been distributed

Under certain circumstances, dividends are recorded as a liability but have not yet been legally distributed.

For the determination of INREV NAV, these accrued dividends should be reversed to the NAV.

As per 31 December 2020, no adjustment was applicable, as no distributions were recorded as a liability.

3 Revaluation to fair value of investment properties

After initial recognition, investment property is valued at fair value under the fair value option of IAS 40.

As investment properties are valued at fair value, no adjustment had to be made as per 31 December 2020.

4 Revaluation to fair value of self-constructed or developed investment property

Development property is IPUC (investment property under construction) and valued at fair value under the fair value option of IAS 40.

As IPUC is valued at fair value, no adjustment had to be made as per 31 December 2020.

5 Revaluation to fair value of investment property held for sale

Assets in this category should be measured under IFRS at the lower of cost or net realisable value in the financial statements. The adjustment represents the impact on NAV of the revaluation of the property intended for sale, measured at cost, to fair value.

As per 31 December 2020, no adjustment was applicable, as no properties intended for sale have been identified and all investment properties have been valued at fair value.

6 Revaluation to fair value of property that is leased to tenants under a finance lease

Property that is leased to tenants under a finance lease is initially measured on a net investment basis and subsequently re-measured based on an amortisation pattern reflecting a constant rate of return. The adjustment represents the impact on NAV of the revaluation of the finance lease receivable to fair value.

As per 31 December 2020, no adjustment was made since no property was held that is leased to tenants under a finance lease.

7 Revaluation to fair value of real estate held as inventory

Properties intended for sale and accounted for under IAS 2 (Inventory) are measured at the lower of cost or net realisable value in the financial statements.

This adjustment represents the impact on the NAV of the revaluation of such properties to net realisable value (fair value less disposal costs). This adjustment should be included under the caption 'revaluation to fair value of real estate held as inventory'.

As per 31 December 2020, no adjustment was applicable, since VRF FGR has no inventory property.

8 Revaluation to fair value of other investments in real assets

Under IAS 16, other investments in real assets are normally accounted for at cost. The adjustment represents the impact on NAV of the revaluation of other investments in real assets to fair value in accordance with the fair value assumptions under IFRS 13.

As per 31 December 2020, no adjustment was made since VRF FGR has no investments in real assets.

9 Revaluation to fair value of indirect investments not consolidated

Indirect investments in real estate, such as investments in associations and joint ventures, have different accounting treatments and carrying values under IFRS. Such investments can be valued at cost, fair value or NAV.

The adjustment represents the impact on NAV of the revaluation of indirect investments to fair value if not yet accounted for at fair value.

As per 31 December 2020, no adjustment had been made, since all indirect investments in real estate are valued at fair value.

10 Revaluation to fair value of financial assets and liabilities (including revaluation to fair value of debt obligations)

Financial assets and liabilities such as debt obligations are generally measured at amortised cost, taking into account any impairment when applicable. The adjustment represents the impact on NAV of the revaluation of financial assets and financial liabilities to fair value as determined in accordance with IFRS.

As per 31 December 2020, an adjustment was made for the revaluation to fair value of the fixed interest debt financial liabilities of 135 million (2019: €98 million). This adjustment relates to the senior unsecured notes (bonds issued in 2015, 2018, and 2019), the private placement borrowings with PRICOA Capital Group (arranged in 2014 and 2016), with NYL and AIG (arranged in 2020), and EMTN private placements arranged in 2017.

No adjustments have been made for other financial assets and liabilities, as these were already valued at fair value in accordance with IFRS principles.

11 Revaluation to fair value of construction contracts for third parties

Under IFRS 15, construction contracts for third parties are normally accounted for based on the stage of completion.

The adjustment represents the impact on NAV of the revaluation of construction contracts for third parties to fair value in accordance with the fair value principles of IFRS 13.

As per 31 December 2020, no adjustment had been made, since VRF FGR has no construction contracts for third parties.

12 Set-up costs

Under IFRS, vehicle set-up costs are charged immediately to income after the inception of a vehicle. Such costs should be capitalised and amortised over the first five years of the term of the vehicle. The rationale for capitalising and amortising set-up costs is to better reflect the duration of the economic benefits to the vehicle.

The adjustment represents the impact on NAV of capitalising and amortising set-up costs over the first five-year period rather than charging them immediately to the income statement.

No adjustment has been made for set-up costs, as no set-up costs for VRF FGR have been incurred in the last five years.

13 Acquisition expenses

Under the fair value model, the acquisition expenses related to an investment property are effectively charged to income when fair value is calculated at the first subsequent measurement date after acquisition. This results in the fair value of a property upon subsequent fair value measurement being lower than the total purchase price of the property, all other things being equal. Property acquisition expenses should be capitalised and amortised over the first five years after acquisition of the property.

The rationale for capitalising and amortising acquisition expenses is to better reflect the duration of the economic benefits of these costs to the vehicle.

When capitalising and amortising acquisition costs, a possible impairment test should be taken into account every time the adjusted NAV is calculated when market circumstances change and the owner of an investment property does not expect to be able to recover the capitalised acquisition costs through the sale of units of a vehicle. When a property is sold during the amortisation period or is classified as held for sale, the balance of capitalised acquisition expenses of that property should be expensed.

This adjustment represents the impact on NAV of the capitalisation and amortisation of acquisition expenses over the period from acquisition of the specific asset to five years after initial closing.

As per 31 December 2020, Vesteda had made an adjustment of €17 million for any acquisition expenses paid on the current portfolio.

14 Contractual fees

A liability represents a present obligation as a result of past events. A fee payable at the end of the life of a vehicle or at any other time during the life of a vehicle may not meet the criteria for recognition as a provision or liability in accordance with IFRS at the reporting date.

Examples of such fees include performance fees, disposal fees, or liquidation fees, representing a present obligation from contractual arrangements.

Most of these fees are normally accrued under IFRS accounting rules. The adjustment represents the impact on the NAV of the amount of the estimated contractual fees payable based on the current NAV of the vehicle in the rare circumstances in which these fees are not already recognised in financial statements produced under IFRS and it is probable that they will be incurred. In order to determine the amount of the adjustment, reference should be made to IFRS standards for the measurement (but not necessarily the recognition) of provisions or deferred liabilities.

As per the balance sheet date, all contractual fees and contingent liabilities had been recognised in accordance with IFRS.

VRF FGR did not enter into any other contractual fees or contingent liabilities that are not presented in the accounts as per the balance sheet date.

15 Revaluation to fair value of savings of purchaser's costs such as transfer taxes

Transfer taxes and purchaser's costs which would be incurred by the purchaser when acquiring a property are generally deducted when determining the fair value of investment properties under IAS 40. The effect of an intended sale of shares in a property-owning vehicle, rather than the property itself, should be taken into account when determining the amount of the deduction of transfer taxes and purchaser's costs, to the extent that this saving is expected to accrue to the seller when the property is sold.

The adjustment therefore represents the positive impact on the NAV of the possible reduction of the transfer taxes and purchaser's costs for the benefit of the seller based on the expected sale of shares in the property-owning vehicle.

VRF FGR has no investment property structured in special purpose vehicles.

16 Revaluation to fair value of deferred taxes and tax effect of INREV NAV adjustments

Under IFRS, deferred tax assets and liabilities are measured at the nominal statutory tax rate. The manner in which the vehicle expects to realise deferred tax (for example, for investment properties through share sales rather than direct property sales) is generally not taken into consideration.

The adjustment represents the impact on the NAV of the difference between the amount determined in accordance with IFRS and the estimate of deferred tax that takes into account the expected manner of settlement (i.e. when tax structures and the intended method of disposal or settlement of assets and liabilities have been applied to reduce the actual tax liability).

As per 31 December 2020, no adjustment had been made as VRF FGR has not valued deferred tax assets and liabilities on the balance sheet. Furthermore, no adjustment for the INREV NAV adjustments is required as VRF FGR is transparent for tax purposes.

17 Effect of subsidiaries having a negative equity (non-recourse)

The NAV of a consolidated group under IFRS may include the net liability position of subsidiary undertakings. In practice, however, the group may have neither a legal nor a constructive obligation to fund the accumulated losses in situations where the financing of the subsidiaries is non-recourse to the vehicle. In this scenario, it is appropriate to make an adjustment when calculating the INREV NAV in order to recognise the group's interest in such subsidiaries at nil or an adjusted negative amount rather than at a full net liability position, to the extent there is no intention or obligation on the part of the vehicle to make good those losses.

The adjustment represents the positive impact on the NAV of the partial or full reversal of the negative equity of the specific subsidiary. If the vehicle has granted shareholder loans to the subsidiary, these should be taken into account.

As per 31 December 2020, no adjustment had been made since VRF FGR has no subsidiaries with a negative equity that are valued at zero and are included in the consolidation.

18 Goodwill

Upon the acquisition of an entity that has been determined to be a business combination, goodwill may arise as a result of a purchase price allocation exercise.

A major component of such goodwill in property vehicles often reflects the difference between the full recognition of deferred tax, purchaser's costs or similar items in the IFRS accounts (which does not generally take into account the likely or intended method of subsequent exit), and the economic value attributed to such items in the actual purchase price.

Except where such components of goodwill have already been written off in the NAV, as determined under IFRS, they should be written off in the INREV NAV.

As per 31 December 2020, no adjustment had been made, since VRF FGR has no goodwill valued on the balance sheet.

19 Non-controlling interest effects on the above adjustments

This adjustment represents the impact on the NAV of the recognition of non-controlling interests on all of the above adjustments.

As per 31 December 2020, no adjustment had been made, since VRF FGR has no material adjustments that arise from its non-controlling interests.

Independent auditor's report

To the participants and the Supervisory Committee of Vesteda Residential Fund FGR

Report on the financial overviews in accordance with INREV valuation principles

Our opinion

We have audited the accompanying financial overviews 2020 of Vesteda Residential Fund FGR, based in Amsterdam.

In our opinion the financial overviews are prepared, in all material respects, in accordance with the accounting policies selected and disclosed by the fund, i.e. INREV valuation principles, as set out on page 139 up to and including page 148.

The financial overviews comprise:

1. The consolidated statement of financial position as at 31 December 2020.
2. The following statements for 2020: the consolidated statements of profit or loss and other comprehensive income and changes in equity.
3. The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial overviews" section of our report.

We are independent of Vesteda Residential Fund FGR in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Description of responsibilities for the financial overviews

Responsibilities of management and the Supervisory Committee for the financial overviews

Management is responsible for the preparation of the financial overviews in accordance with the accounting policies selected and disclosed by the fund (INREV valuation principles) as set out on page 139 up to and including page 148.

Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial overviews that are free from material misstatement, whether due to fraud or error.

The Supervisory Committee is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial overviews

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial overviews. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial overviews, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluating the overall presentation, structure and content of the financial overviews, including the disclosures.
- Evaluating whether the financial overviews represent the underlying transactions and events free from material misstatement.

We communicate with management and the Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

Amsterdam, 17 March 2021

Deloitte Accountants B.V.

Signed on the original: J. Holland

Annexes



Annex 1: Key figures 2011-2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statement of financial position (€ million, unless otherwise stated, year-end)										
Total assets	8,440	8,058	7,337	5,084	4,375	3,839	3,667	3,782	4,158	4,497
Equity	6,294	6,022	5,517	3,819	3,045	2,629	2,262	2,280	2,423	2,670
Net debt	1,916	1,825	1,739	1,172	1,237	1,098	1,265	1,350	1,523	1,649
Leverage (%)	23.1	23.0	23.7	23.1	28.3	28.6	34.5	35.7	36.6	36.7
Portfolio value (€ million, year-end)										
Development portfolio	174	194	257	257	135	77	13	23	12	24
Investment portfolio	8,213	7,818	7,024	4,778	4,207	3,726	3,593	3,655	3,970	4,265
Total portfolio	8,387	8,012	7,281	5,035	4,342	3,803	3,605	3,678	3,982	4,289
Units (year-end)										
Number of residential units	27,482	27,290	27,809	22,454	22,629	22,599	22,990	23,791	25,100	25,828
Number of parking/garage spaces	9,885	9,716	9,830	9,226	9,094	9,293	9,335	9,527	10,217	10,427
Commercial space (COG, sqm)	44,924	44,631	45,106	38,722	35,406	34,319	36,359	36,640	50,491	55,410
Net rental income (€ million, unless otherwise stated)										
Investment portfolio, at start of year	7,818	7,024	4,778	4,207	3,726	3,593	3,655	3,970	4,265	4,402
Time weighted average portfolio	8,050	7,560	5,967	4,473	3,969	3,642	3,613	3,631	4,058	4,334
Net rental income	251	252	210	184	182	176	176	181	177	173
Net rental income (%)	3.1	3.3	3.5	4.1	4.6	4.8	4.9	5.0	4.4	4.0
Result (€ million)										
Realised result from letting & sales	191	202	207	138	141	122	110	104	98	88
Realised result from project development	-	-	-	-	1	-	4	(1)	(1)	(4)
Unrealised results	276	653	825	544	391	169	22	(163)	(234)	(138)
Result before tax	467	855	1,032	682	533	291	136	(60)	(137)	(49)
Tax	(1)	(1)	-	-	-	-	-	-	-	-
Derivatives	-	-	-	18	4	25	(4)	41	(30)	11
- revaluation	-	-	-	6	4	11	(16)	41	(30)	11
- unwind	-	-	-	12	-	14	12	-	-	-
Revaluation of PPE	-	1	2	1	-	-	-	-	-	-
Settlement pre-hedge contracts	1	(6)	-	-	-	-	-	-	-	-
Total comprehensive result	467	849	1,034	701	537	316	132	(19)	(167)	(38)
Return (% of time weighted average equity)										
Realised return from letting	3.1	3.6	4.6	4.1	5.1	5.0	4.8	4.4	3.8	3.1
Realised return from project development	0.0	0.0	0.0	0.0	0.0	0.0	0.2	(0.1)	0.0	(0.4)
Unrealised return	4.5	11.4	18.4	16.3	14.2	7.0	1.0	(6.9)	(9.1)	(4.5)
Total operating return	7.6	15.0	23.0	20.4	19.3	12.0	6.0	(2.5)	(5.3)	(1.7)
Revaluation of derivatives and Other comprehensive income	-	(0.1)	-	0.5	0.2	1.0	(0.2)	1.7	(1.2)	0.4
Total comprehensive return	7.6	14.9	23.0	20.9	19.5	13.0	5.8	(0.8)	(6.5)	(1.3)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Distribution to participants (€ million, unless otherwise stated)										
Opening equity	6,022	5,517	3,819	3,045	2,629	2,262	2,280	2,423	2,670	2,799
Time weighted average equity	6,169	5,708	4,481	3,350	2,766	2,426	2,284	2,364	2,571	2,735
Paid distribution*	195	344	415	206	121	107	100	74	120	109
Distribution as % of time weighted average equity	3.2	6.0	9.3	6.1	4.4	4.4	4.4	3.1	4.7	4.0
Distribution to participants (€ per participation)										
Opening equity	167.74	153.69	135.44	118.03	101.93	94.07	92.77	96.47	104.15	109.29
Time weighted average equity	171.85	159.01	158.92	129.88	107.23	100.91	92.93	94.09	100.27	107.00
Paid distribution based on number of participations at start of year*	5.42	9.58	14.72	7.98	4.71	4.43	4.07	2.95	4.68	4.25
Other										
Occupancy rate (% , year-end)	97.5	98.4	97.5	97.6	97.8	97.9	96.6	96.1	95.6	95.7
Employees (FTE, year-end)	217	194	188	176	181	179	189	227	253	305

* 2018 and 2019 figures include capital repayments related to portfolio sales.

Annex 2: Members of the Management Board and Management Team

The Management Board consists of Gertjan van der Baan (CEO) and Frits Vervoort (CFO).



Gertjan van der Baan (1968)

Chairman of the Management Board since 1 January 2014. Second term of office ends in December 2021.

As Chief Executive Officer, Gertjan van der Baan is responsible for portfolio strategy, acquisitions, HR Management, Corporate Communications & Marketing, Investor Relations and Corporate Sustainability & Social Responsibility.

Before joining Vesteda, Gertjan van der Baan was chairman of the Managing Board of Dutch residential property investor Nationaal Grondbezit (Nagron). Nagron is part of the Rotterdam-based investor Van Herk Group, where he also served as CEO from 2009. Prior to joining Van Herk Group, Gertjan van der Baan worked at merchant bank Kempen & Co in the field of Corporate Finance for close to nine years.



Frits Vervoort (1962)

Member of the Management Board since 1 November 2016. Second term of office ends in October 2024.

As Vesteda CFO, Frits Vervoort's responsibilities include accounting, control & reporting, risk, legal/compliance, operations, IT and treasury.

Frits Vervoort has extensive background in finance and management and more than 10 years' experience as a CFO. His previous employers include Vedior, where he was CFO and a member of the Board of Management from 2001 to 2008, when Vedior was acquired by Randstad. Prior to joining Vesteda, Frits Vervoort was CFO and a member of the Executive Board of Grontmij.

In addition to Gertjan van der Baan and Frits Vervoort, the Management Team consists of Astrid Schlüter (COO), Pieter Knauff (CIO) and Laura Keijer (HR Director):



Astrid Schlüter (1969)

Astrid Schlüter joined Vesteda in 2013 as Property Management Director and was appointed as Operations Director in October 2016, followed by a promotion to COO in January 2021. Astrid Schlüter studied econometrics and started her career at accountancy firm EY. After EY, Astrid Schlüter worked at Jacobus Recourt, where she held the position of Managing Director/Owner in her last five years with the company.



Pieter Knauff (1977)

Pieter Knauff joined Vesteda in 2015 and was appointed as Acquisitions Director in July 2016, followed by a promotion to CIO in January 2021. Before joining Vesteda, Pieter Knauff worked for over 10 years at Van Herk Group, where his last position was Chief Investment Officer. Pieter Knauff is a business economist and started his career at merchant bank Kempen & Co in the field of Corporate Finance and Equity Research (Property & Construction).



Laura Keijer (1974)

Laura Keijer joined Vesteda in 2018 and was appointed as Human Resources Director in April 2020. Prior to joining Vesteda, Laura worked for 12.5 years at Nike, where her last position was Senior Talent Development Manager, followed by one year at PVH Europe as Talent Management Director. Laura has multiple years of HR experience leading and executing the HR agenda as a HR business partner, as well as diving into more specialist areas such as talent development, succession planning, talent reviews, compensation and benefits and expatriate assignments at complex, fast moving, global organisations.

Annex 3: Members of the Supervisory Committee



Jaap Blokhuis (1958) - Chairman

Dutch. Former CEO of Multi Corporation and Redevco

Areas of expertise: finance, investments, compliance, risk management.

Other positions: member of the Supervisory Board of Heembouw Holding B.V., member of the Supervisory Board of Vastned Retail N.V., advisor to Egeria Real Estate and advisor to Kubox B.V.



Hans Copier (1957)

Dutch. Former CEO of Propertize, former member of the European Executive Committee and Country Manager Netherlands of CBRE Global Investors.

Areas of expertise: management, risk management and audit, compliance, personnel and organisation.

Other positions: member of the Supervisory Board of Green Real Estate and advisor to Pensioenfonds Rail & Openbaar Vervoer.



Seada van den Herik (1972)

Dutch. Managing director of Onderlinge 's-Gravenhage. Former CEO of Zwitserleven and former board member of Vivat Verzekeringen.

Areas of expertise: personnel and organisation, finance, risk management.

Other positions: managing director of N.V. Levensverzekering-Maatschappij "De Hoop" and member of the advisory committee of Women in Financial Services.



Theo Eysink (1966)

Dutch. CFO KPN Business Market and former CFO Stork Technical Services Holding B.V.

Areas of expertise: risk management, audit, finance and compliance.

Other positions: member of the Supervisory Board and Audit Committee of Stedin Holding N.V.



Eva Klein Schiphorst (1964)

Dutch. Director of Public Buildings Business Unit of Royal HaskoningDHV and former managing director of the Dutch government's Real Estate Agency (De Rijksgebouwendienst).

Areas of expertise: real estate, energy transition, organisational development and project management.

Other position: member of the Supervisory Board of IPSE de Bruggen.

The table below provides an overview of the composition of the Supervisory Committee as per 17 March 2021 and the rotation schedule.

Name	Committee	Date of first appointment	End of current term
Jaap Blokhuis (Chairman)		11 September 2017	11 September 2021 (first term)
Hans Copier	Audit Committee	12 February 2016	12 February 2024 (second term)
Seada van den Herik	Chairman NomRem Committee	9 December 2015	9 December 2023 (second term)
Theo Eysink	Chairman Audit Committee	1 May 2019	1 May 2023 (first term)
Eva Klein Schiphorst	NomRem Committee	17 October 2019	17 October 2023 (first term)

All members of the Supervisory Committee are deemed independent.

Annex 4: GRI Content Index for 'In accordance' - Core

Unless otherwise indicated, all GRI Standards listed refer to the 2016 version of the Standards.

GRI Content Index Vesteda – Core		
SRS	Disclosure	Reference
GRI 102: GENERAL DISCLOSURES 2016		
1. Organisational profile		
102-1	Name of the organisation	Notes to the consolidated financial statements, p.91
102-2	Activities, brands, products, and services	Vesteda at a glance, p.7-11
102-3	Location of the organisation's headquarters	Notes to the consolidated financial statements, p.91
102-4	Number of countries operating	Vesteda operates exclusively in the Netherlands Vesteda at a glance, p.7-11
102-5	Nature of ownership and legal form	Notes to the consolidated financial statements, p.91
102-6	Markets served	Vesteda operates exclusively in the Netherlands Vesteda at a glance, p.7-11
102-7	Scale of the reporting organisation	Vesteda at a glance, p.7-11 Portfolio, p.21-27 Consolidated financial statements, p.87-88
102-8	Information on employees and other workers	Organisation & staff, p.30-34
102-9	Supply chain	Strategy and long-term objectives, p.13-15 Sustainability in the chain, p.57 Our impact on the Sustainable Development Goals (SDGs along our value chain), p.64
102-10	Significant changes to the organisation and its supply chain	In 2020, no significant changes have taken place in our organisation, in our supply chain, nor in our relationship with supply chain partners. Participants, p.28
102-11	Precautionary Principle or approach	Risk management, p.73-78
102-12	External initiatives	Financial and non-financial information: INREV Guidelines, p.82 Compliance and integrity, p.71-73 Corporate Sustainability and Social Responsibility (GRI, SDGs, GRESB), p.55-65 Sustainability in the chain, p.57
102-13	Memberships of associations	Dialogue with stakeholders, p.81-82
2. Strategy		
102-14	Statement from senior decision-maker	Foreword by the Management Board, p.5-6
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Our core values, p.13 Compliance and integrity, p.71-73
4. Governance		
102-18	Governance structure	Corporate Sustainability and Social Responsibility, p.55-65 Corporate governance, p.68-70
5. Stakeholder Engagement		
102-40	List of stakeholder groups	About this report, p.79-82
102-41	Collective bargaining agreements	Workforce, p.30-34
102-42	Identifying and selecting stakeholders	About this report, p.79-82
102-43	Approach to stakeholder engagement	Dialogue with stakeholders, p.81-82
102-44	Key topics and concerns raised	Dialogue with stakeholders, p.81-82

GRI Content Index Vesteda – Core**6. Reporting practice**

102-45	Entities included in the consolidated financial statements	Basis of consolidation, p.87
102-46	Defining report content and topic Boundaries	About this report, p.79-82
102-47	List of material topics	About this report, p.79-82
102-48	Restatements of information	About this report, p.79-82
102-49	Changes in reporting	About this report, p.79-82
102-50	Reporting period	About this report, p.79-82
102-51	Date of most recent report	About this report, p.79-82
102-52	Reporting cycle	About this report, p.79-82
102-53	Contact point for questions regarding the report	Colophon, p.177
102-54	Claims of reporting in accordance with the GRI Standards	About this report, p.79-82
102-55	GRI Content Index	Annex 4: GRI Content Index for 'In accordance' - Core, p.158-161
102-56	External assurance	Assurance report of the independent auditor, p.83-85

Topic Specific Standards**GRI 201: ECONOMIC****GRI 201: ECONOMIC PERFORMANCE 2016 (Economic performance)**

103-1	Explanation of the material topic and its Boundary	Strategy and long-term objectives, p.13-15 Notes to the results, p.37-40
103-2	The management approach and its components	Strategy and long-term objectives, p.13-15 Notes to the results, p.37-40 Corporate governance, p.68-70
103-3	Evaluation of the management approach	Corporate governance, p.68-70 Report of the Supervisory Committee, p.47-54
201-1	Direct economic value generated or distributed	Consolidated statement of profit or loss and other comprehensive income, p.87

GRI 205: ANTI-CORRUPTION 2016 (Business integrity and compliance)

103-1	Explanation of the material topic and its Boundary	Compliance and integrity: The role of compliance in the organisation, p.71 Compliance and integrity: Compliance focal points 2020, p.71 About this report, p.79-82
103-2	The management approach and its components	Compliance and integrity, p.71-73
103-3	Evaluation of the management approach	Compliance and integrity: Compliance focal points 2020 (SCRA), p.71
205-2	Communication and training about anti-corruption policies and procedures	Sustainability in the chain, p.57 Vesteda's view on compliance and integrity, p.71-72 Not applicable: As adherence to the code of conduct is expected from all employees, including management and members of the supervisory committee, a breakdown into employee category is not considered steering-relevant. Training on anti-corruption is not given, as employees are expected to read and adhere to the code of conduct which is described elaborately.
205-3	Confirmed incidents of corruption and actions taken	Vesteda's view on compliance and integrity, p.71-72
Own indicator	Insight into corporate governance	Report of the Supervisory Committee, p.47-54 Corporate Governance, p.68-70 Compliance and Integrity, p.71-73 Legal structure, p.67

GRI 301: Environmental Series**GRI 305: EMISSIONS 2016 (Sustainable business operations)**

GRI Content Index Vesteda – Core		
103-1	Explanation of the material topic and its Boundary	Strategy and long-term objectives, p.13-15 Environmental - Improve sustainable performance, p.55-63
103-2	The management approach and its components	Strategy and long-term objectives, p.13-15
103-3	Evaluation of the management approach	Measuring and managing resource consumption, p.59
305-4	GHG emissions intensity	CO ₂ footprint, p.58-63
305-5	Reduction of GHG emissions	CO ₂ footprint, p.58-63
Own indicator	Circularity in business operations	Circularity, p.59
GRI 401: Social series		
GRI 416: CUSTOMER HEALTH AND SAFETY 2016 (Healthy and safe homes)		
103-1	Explanation of the material topic and its Boundary	Healthy and safe homes, p.56-57
103-2	The management approach and its components	Healthy and safe homes, p.56-57 Strategic project: Health & Well-being, p.63
103-3	Evaluation of the management approach	Healthy and safe homes, p.56-57
416-1	Assessment of the health and safety impacts of product and service categories	Healthy and safe homes, p.56-57
Other for Vesteda material indicators that are not included in the topic specific GRI indicators		
Tenant satisfaction		
103-1	Explanation of the material topic and its Boundary	Focus on tenant satisfaction, p.17 Tenant satisfaction surveys, p.18-20 INREV Guidelines Compliance Statement, p.82
103-2	The management approach and its components	Focus on tenant satisfaction, p.17 Tenant satisfaction surveys, p.18-20 INREV Guidelines Compliance Statement, p.82
103-3	Evaluation of the management approach	Tenant satisfaction surveys, p.18-20 INREV Guidelines Compliance Statement, p.82 Management agenda 2021, p.43-45
Own indicator	Tenant satisfaction	Tenant satisfaction surveys, p.18-20
Sustainable Portfolio		
103-1	Explanation of the material topic and its Boundary	Environmental - Improve sustainable performance, p.55-63
103-2	The management approach and its components	Environmental - Improve sustainable performance, p.55-63
103-3	Evaluation of the management approach	Environmental - Improve sustainable performance, p.55-63 Management agenda 2021, p.43-45
GRI CRE8: Products and Service Labelling	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	Environmental – Improve sustainable performance, p.55-63 Measuring and managing resource consumption, p.59 Strategic project: portfolio sustainability improvement, p.55-56
Own indicator	Number and discription of sustainability innovations	Overview energy performance measures, p.56
Affordable Housing		
103-1	Explanation of the material topic and its Boundary	Strategy and long-term objectives, p.13-15 The outlook for 2021: Affordability, p.41-42 Management Agenda 2021 - Portfolio, p.43-44

GRI Content Index Vesteda – Core		
103-2	The management approach and its components	The outlook for 2021: Affordability, p.41-42 Tenants: Affordability, p.17 Portfolio: Segmentation, p.21-22 Management Agenda 2021 - Portfolio, p.43-44
103-3	Evaluation of the management approach	The outlook for 2021: Affordability, p.41-42 Tenants: Affordability, p.17 Management Agenda 2021 - Portfolio, p.43-44
Own indicator	Percentage of portfolio in mid-rental segment	Portfolio, p.21-27
Own indicator	Percentage of acquisitions in mid-rental segment	Portfolio, p.21-27
Employee engagement		
103-1	Explanation of the material topic and its Boundary	Strategy and long-term objectives: Organisation & staff, p.15 Management agenda 2021, p.43-45 Risk: Engagement organisation, p.77
103-2	The management approach and its components	Strategy and long-term objectives: Organisation & staff, p.15 Workforce, p.30-34 Management agenda 2021, p.43-45 Risk: Engagement organisation, p.77
103-3	Evaluation of the management approach	Strategy and long-term objectives: Organisation & staff, p.15 Workforce, p.30-34 Management agenda 2021, p.43-45 Risk: Engagement organisation, p.77
Own indicator	Employee turnover rate	Workforce, p.33
Own indicator	High Performance Organisation score	Organisation & staff, p.30-34

Annex 5: Composition of the investment portfolio

Key

City, Street, Name of complex, Province (GR=Groningen, FR=Friesland, DR=Drenthe, OV=Overijssel, GD=Gelderland, UT=Utrecht, FL=Flevoland, NH=Noord-Holland, ZH=Zuid-Holland, NB=Noord-Brabant, ZL=Zeeland, LB=Limburg), Construction year (the year before the first year of full letting).

LAND Percentage owned versus leased (LH=Leasehold) | RS Rental segment (M=Mid, RM=Regulated mid, R=Regulated, H=High) | R Region (P=Primary, S=Secondary, O=other) | U Number of residential properties (units) | SF Number of single-family residential properties (units) | MF Number of multi-family residential properties (units) | UA Useable area of the residential properties (sqm x 100) | COG Commercial space (sqm x 100) | P Parking and garage spaces (units).

City, Street, Name, Province, Construction year	LAND	RS R	U	SF	MF	UA	COG	P
Abcoude, Broekzijdselaan, Fluitekruid App. I, UT, 1989	100%	Mid P	23	-	23	18	-	-
Abcoude, Broekzijdselaan, Fluitekruid I, UT, 1989	100%	Mid P	31	31	-	34	-	-
Abcoude, Erepijrs, Fluitekruid App. II, UT, 1989	100%	Mid P	25	-	25	20	-	-
Abcoude, Erepijrs, Fluitekruid II, UT, 1989	100%	Mid P	50	50	-	48	-	-
Alkmaar, Braspensingstraat, Braspensingstraat E.A. 58-261, NH, 1988	100%	Mid P	42	42	-	45	-	-
Alkmaar, Daalderstraat, Daalderstraat E.A. 58-80, NH, 1985	100%	Mid P	85	85	-	88	-	-
Almere, Azaleastraat, Bloemenbuurt, FL, 1990	100%	Mid P	59	59	-	67	-	-
Almere, Bankierbaan, Bankierbaan, FL, 1988	100%	Mid P	100	-	100	91	-	-
Almere, Cypergrasweg, Kruidenwijk, FL, 1988	LH	Mid P	84	84	-	97	-	-
Almere, De Hoopstraat, Oostvaardersbuurt, FL, 2001	100%	Mid P	42	42	-	55	-	-
Almere, Drijfanker, Poolanker 22-560, FL, 2006	100%	Mid P	50	50	-	73	-	-
Almere, Elzenstraat, Parkwijk, FL, 1995	100%	Mid P	62	62	-	85	-	-
Almere, Fellinilaan, Fellinilaan, FL, 1998	100%	Mid P	42	-	42	43	-	-
Almere, Fugaplantsoen, Muziekwijk Rondostraat, FL, 1992	100%	Mid P	25	25	-	33	2	-
Almere, Gaffel, Noorderplassen, FL, 2004	100%	Mid P	32	32	-	49	-	-
Almere, Harderwijkoever, Boulevardflat, FL, 1984	100%	Mid P	129	-	129	108	-	129
Almere, Havenhoofd, Havenhoofd, FL, 1986	100%	Mid P	47	-	47	45	-	-
Almere, J.J. Slauerhoffstraat, Literatuurwijk, FL, 1998	100%	Mid P	38	38	-	47	-	-
Almere, Jacques Tatilaan, Filmwijk, FL, 1998	100%	Mid P	90	90	-	114	-	-
Almere, Koetsierbaan, Side by Side toren I, FL, 2007	100%	High P	7	-	7	9	-	6
Almere, Koetsierbaan, Side by Side toren II, FL, 2007	100%	Mid P	82	-	82	83	1	88
Almere, Marktmeesterstraat, Marktmeesterstraat, FL, 1988	100%	Mid P	20	-	20	17	-	-
Almere, Marktmeesterstraat, U Blok - Centrum, FL, 1988	100%	Mid P	104	-	104	92	-	87
Almere, Messiaenplantsoen, Messiaenplantsoen, FL, 1990	100%	Mid P	58	-	58	47	-	-
Almere, Nova Zemblastraat, Eilandenbuurt, FL, 2003	100%	Mid P	43	43	-	49	-	-
Almere, Oktoberstraat, Seizoenenbuurt, FL, 1999	100%	Mid P	40	40	-	45	-	-
Almere, Preludeweg, Muziekwijk Preludeweg, FL, 1994	100%	Mid P	115	115	-	145	-	-
Almere, Rozemarijnstraat, Pimpernelstraat E.A. 58-123, FL, 1986	100%	Mid P	51	51	-	58	1	-
Almere, Septemberstraat, Septemberstraat 58-450, FL, 1999	100%	Mid P	32	32	-	35	-	-
Almere, Soerabajastraat, Bandoengplantsoen E.A. 58-537, FL, 2005	100%	Mid P	62	62	-	74	-	-
Almere, Tjeukemeerstraat, Waterwijk, FL, 1983	100%	Mid P	19	19	-	20	-	-
Almere-Stad, Quickstepstraat, Danswijk, FL, 1999	100%	Mid P	31	31	-	34	-	-
Alphen aan den Rijn, Klaverhof, Klaverhof 58-102, ZH, 1975	100%	Mid P	85	-	85	84	-	-
Amersfoort, Amsterdamseweg, Puntenburg Hoogbouw, UT, 2011	100%	High P	49	-	49	58	2	54
Amersfoort, Blekerssingel, Willem III Swaenenborgh, UT, 1988	100%	Mid P	13	-	13	11	-	-

City, Street, Name, Province, Construction year	LAND	RS R	U	SF	MF	UA	COG	P
Amersfoort, Blekerssingel, Willem III, UT, 1988	100%	Mid P	18	-	18	15	-	-
Amersfoort, Bombardonstraat, Zielhorst Appartementen, UT, 1990	100%	Mid P	36	-	36	29	-	-
Amersfoort, Bombardonstraat, Zielhorst, UT, 1990	100%	Mid P	20	20	-	20	-	-
Amersfoort, Bruggensingel-Zuid, Kattenbroek Appartementen, UT, 1991	100%	Mid P	55	-	55	53	-	-
Amersfoort, Drapiersgilde, Zeven Provinciën, UT, 2004	100%	High P	58	-	58	66	-	-
Amersfoort, Grenspolder, Duifpolder 58-548, UT, 2005	100%	Mid P	28	28	-	32	-	-
Amersfoort, Juliettestraat, Schuilenburg, UT, 1969	100%	Mid P	116	116	-	142	-	50
Amersfoort, Kasteel, Kattenbroek, UT, 1991	100%	Mid P	79	79	-	106	-	-
Amersfoort, L. Costerplein, L. Costerplein 55-52, UT, 1936	100%	Mid P	1	1	-	2	-	-
Amersfoort, Sint Anfridusstraat, St. Anfridusstraat 58-238, UT, 1976	100%	Low P	48	-	48	23	-	-
Amersfoort, Stephensonstraat, Stephensonstr-Voltastr 58-31, UT, 1936	100%	Mid P	1	1	-	1	-	-
Amersfoort, Stuurboord, Kattenbroek Eiland, UT, 1993	100%	Mid P	101	101	-	139	-	-
Amersfoort, Zeeuwsestraat, Puntenburg Laagbouw, UT, 2010	100%	Mid P	59	-	59	57	-	59
Amstelveen, A. Van Ostadelaan E.A. 55, NH, 1955	100%	Low P	7	7	-	6	-	-
Amstelveen, Brantwijk, Brantwijk 58-601, NH, 1958	100%	Mid P	8	8	-	9	-	3
Amstelveen, Brink, Brink-Melkweg App. 58-287, NH, 1989	100%	Mid P	66	-	66	48	-	-
Amstelveen, Fideliolaan, Fideliolaan 58-111, NH, 1974	100%	Low P	105	-	105	55	-	-
Amstelveen, Groenhof, Cirrus, NH, 1972	100%	Mid P	64	-	64	53	-	11
Amstelveen, Groenhof, Stratus, Multatuli, Meridiaan, NH, 1974	100%	Mid P	128	-	128	107	-	23
Amstelveen, Grote Beer, Melkweg-Grote Beer 58-296, NH, 1989	100%	Mid P	50	50	-	53	-	-
Amstelveen, Mr. Rendorplan, V.D.Hoochlaan E.A. 55-72, NH, 1937	100%	High P	1	1	-	2	-	1
Amstelveen, Schokland, Schokland 58-141, NH, 1971	100%	Low P	96	-	96	47	-	-
Amstelveen, Westwijkplein, Westwijk Woningen 60-392, NH, 1994	100%	Mid P	51	-	51	49	-	-
Amstelveen, Westwijkplein, Westwijkplein 781, NH, 2016	100%	High P	20	-	20	19	-	-
Amstelveen, Wolf. van Borsseleweg, Waverenstr. E.A. 58-65, NH, 1936	100%	Mid P	93	93	-	82	1	5
Amsterdam, Amstelboulevard 2t-M50 58-511, NH, 2002	100%	High P	25	-	25	36	-	21
Amsterdam, Amstelboulevard, Omval, MGW-COG 34-419, NH, 1997	100%	High P	95	-	95	94	7	-
Amsterdam, B. Merkelbachsingel, 14Noord, NH, 2015	LH	Mid P	14	-	14	13	-	-
Amsterdam, Bart de Ligtstraat, Julianapark App., NH, 1991	LH	High P	186	-	186	155	-	-
Amsterdam, Bart de Ligtstraat, Julianapark, NH, 1991	LH	High P	40	40	-	51	-	16
Amsterdam, Bert Haanstrakade, IJzicht, NH, 2009	LH	High P	120	-	120	149	10	128
Amsterdam, Bijlmerdreef, Gerenstein-Gallery, NH, 2007	LH	Mid P	96	-	96	94	-	-
Amsterdam, Boeierstraat, Steigereiland De Tjalk, NH, 2010	LH	High P	26	-	26	32	7	46
Amsterdam, Bonhoeffersingel, M. Akerveldsepolder App. I, NH, 1989	LH	Mid P	48	-	48	36	-	-
Amsterdam, Bonhoeffersingel, M. Akerveldsepolder I, NH, 1989	LH	Mid P	160	160	-	184	-	-
Amsterdam, Cas Oorthuyskade, De Waterlinie, NH, 2004	LH	High P	41	-	41	44	4	59
Amsterdam, Ceramiqelaan, De Zeearend, NH, 2012	LH	High P	9	-	9	10	-	16
Amsterdam, Churchilllaan, Churchilllaan Amsterdam, NH, 1926	LH	High P	172	-	172	137	13	-
Amsterdam, C. Outhoornstraat, De Drie Bouwmeesters, NH, 2006	LH	High P	37	37	-	51	-	-
Amsterdam, De Boeelaan, De Boel, NH, 1963	LH	High P	154	-	154	112	32	13
Amsterdam, Diopter, Diopter, NH, 1998	LH	Mid P	53	53	-	66	-	-
Amsterdam, Galjootstraat, Steigereiland De Klipper, NH, 2009	LH	High P	59	-	59	59	-	68
Amsterdam, Gustav Mahlerlaan, New Amsterdam, NH, 2008	LH	High P	171	-	171	204	32	173
Amsterdam, Hammarbystraat, De Willem Barentsz, NH, 2012	LH	High P	13	-	13	14	-	14
Amsterdam, Henri Dunantstraat, De Dunant, NH, 2017	LH	High P	73	23	50	73	-	22
Amsterdam, Hooivletstraat, Steigereiland Schoener, NH, 2009	LH	High P	59	-	59	59	-	68

City, Street, Name, Province, Construction year	LAND	RS	R	U	SF	MF	UA	COG	P
Amsterdam, Huddekade, Huddekade 58-676, NH, 2008	100%	High	P	19	-	19	18	-	-
Amsterdam, IJburglaan, Blok 4 Appartementen, NH, 2003	LH	High	P	26	-	26	34	-	26
Amsterdam, IJburglaan, Blok 4 Maisonnettes, NH, 2005	LH	High	P	11	-	11	24	-	11
Amsterdam, IJburglaan, De Ontdekking, NH, 2008	LH	High	P	43	-	43	47	-	43
Amsterdam, IJburglaan, De Uitkijk, NH, 2005	LH	High	P	31	-	31	37	-	34
Amsterdam, J.P. Kloosstraat, De Hagen, NH, 2016	LH	High	P	64	-	64	55	-	64
Amsterdam, Jean Desmetstraat, Jean Desmetstraat, NH, 2008	LH	High	P	12	12	-	14	-	12
Amsterdam, Joan Muyskenweg, Joan Muyskenweg 1, NH, 2018	LH	High	P	191	-	191	134	-	101
Amsterdam, Johan Huizingalaan, Huizingalaan, NH, 1990	LH	Mid	P	167	-	167	149	-	143
Amsterdam, John Blankensteinstraat, De Generaal, NH, 2015	LH	High	P	56	-	56	44	-	45
Amsterdam, Julianaplein, Amstel Tower, NH, 2017	LH	Mid (reg)	P	192	-	192	94	-	-
Amsterdam, Mijndenhof, Mijndenhof, NH, 1984	LH	Mid	P	109	109	-	102	-	-
Amsterdam, Olympiaplein, Olympiaplein, NH, 1926	LH	High	P	29	-	29	27	-	-
Amsterdam, Omval Parkeergarage 34-427, NH, 1997	100%	NVT	P	-	-	-	-	-	87
Amsterdam, Omval, Staalmeesters 58-420, NH, 1997	100%	High	P	21	-	21	24	-	24
Amsterdam, Overhoeksparklaan, De Europa, NH, 2011	LH	High	P	61	-	61	71	-	91
Amsterdam, Parkeergarage Huddekade 58-677, NH, 2008	100%	NVT	P	-	-	-	-	-	50
Amsterdam, Parkeergarage Nieuw Amerika, NH, 2006	LH	NVT	P	-	-	-	-	-	291
Amsterdam, Peelstraat, De Miranda, NH, 1998	100%	High	P	90	-	90	91	34	92
Amsterdam, Pieter Calandlaan, Calandtoren, NH, 2004	LH	Mid	P	65	-	65	62	16	63
Amsterdam, Pieter Postpad, De Drie Bouwmeesters App., NH, 2006	LH	Mid	P	46	-	46	43	-	48
Amsterdam, President Kennedylaan, Kennedylaan, NH, 1939	LH	Mid	P	8	-	8	6	-	-
Amsterdam, Professor Tulpstraat, Even Nrs. 58-436, NH, 1900	100%	High	P	7	-	7	11	-	-
Amsterdam, Professor Tulpstraat, Oneven Nrs.58-435, NH, 1900	100%	High	P	8	-	8	7	-	-
Amsterdam, Purperhoedenveem, Boston, NH, 2006	LH	High	P	90	-	90	95	-	-
Amsterdam, Purperhoedenveem, Detroit, NH, 2004	LH	High	P	81	-	81	105	24	-
Amsterdam, R. Bloemgartensingel, M. Akerveldsepolder App. II, NH, 1990	LH	Mid	P	48	-	48	36	-	-
Amsterdam, R. Bloemgartensingel, M. Akerveldsepolder II, NH, 1990	LH	Mid	P	177	177	-	226	-	-
Amsterdam, Spakenburgstraat, Reigersbos, NH, 1984	LH	Mid	P	153	153	-	144	1	-
Amsterdam, Surinameplein, Surinameplein 37, 51 2-21, NH, 1959	LH	Low	P	24	-	24	12	-	-
Amsterdam, Surinameplein, Surinameplein 55 58-608, NH, 1959	LH	Low	P	144	-	144	44	-	-
Amsterdam, Surinameplein, Surinameplein, NH, 1962	LH	NVT	P	-	-	-	-	15	-
Amsterdam, Surinameplein, Surinameplein, NH, 1962	LH	NVT	P	-	-	-	-	37	-
Amsterdam, Surinameplein, Surinameplein, NH, 1962	LH	NVT	P	-	-	-	-	8	-
Amsterdam, Vaartstraat, Schinkelhof, NH, 2017	100%	Mid	P	64	-	64	42	11	37
Amsterdam, Westerdok, Westerdoksyk 58-618, NH, 2007	LH	High	P	123	-	123	118	-	140
Amsterdam, Wethouder Driessenstraat, Wethouderbuurt, NH, 1987	LH	Mid	P	155	155	-	179	-	-
Amsterdam, Wethouder Tabakstraat, Wethouderbuurt, NH, 1986	LH	Mid	P	178	178	-	191	1	-
Amsterdam, Wolbrantskerkweg, De Drie Wachters, NH, 2005	LH	Low	P	73	-	73	64	-	54
Anna Paulowna, Meerkoetstraat, Meerkoetstraat E.A. 58-117, NH, 1981	100%	Low	O	44	44	-	50	-	-
Apeldoorn, Disselhof, De Stadhouder, GD, 2009	100%	Mid	P	76	-	76	89	-	117
Apeldoorn, Pascalstraat, Pascalstr.-Sluisoordln. 58-24, GD, 1968	100%	Mid	P	2	2	-	2	-	-
Arnhem, Arcadiastraat, Parnassushof, GD, 2017	100%	Mid	P	54	54	-	60	-	-
Arnhem, Boreasplantsoen, Lunahof, GD, 2016	100%	Mid	P	31	31	-	37	-	26
Arnhem, Bredasingel, Bredasingel E.A. 58-109, GD, 1977	100%	Mid	P	38	38	-	47	-	3

City, Street, Name, Province, Construction year	LAND	RS R	U	SF	MF	UA	COG	P
Arnhem, Callunastraat, Callunastraat 55-53, GD, 1930	100%	Low P	1	1	-	1	-	-
Arnhem, Castorstraat, Helioshof, GD, 2015	100%	Mid P	29	29	-	32	-	29
Arnhem, Drentesingel, Vredenburg, GD, 1974	100%	Mid P	111	111	-	140	-	5
Arnhem, Ginnekenstraat, Kroonse Wal, GD, 1988	100%	Mid P	30	-	30	26	-	-
Arnhem, Helenstraat, Helenahof, GD, 2019	100%	Mid P	20	-	20	24	-	-
Arnhem, Helenstraat, Helenatoren, GD, 2019	100%	Mid P	35	-	35	27	-	-
Arnhem, Hoogstedelaan, Hoogstedelaan E.A. 55-50, GD, 1934	100%	Low P	1	1	-	1	-	-
Arnhem, Kluizeweg, Kluizeweg 58-598, GD, 1962	100%	Low P	60	-	60	50	-	23
Arnhem, Veerpolderstraat, Aan de Rijn, GD, 2017	100%	Mid P	94	-	94	80	-	112
Assen, Boergoorn, Marsdijk, DR, 1990	100%	Mid S	23	23	-	29	-	-
Assen, Bovist, Diepstroeten, DR, 2017	100%	Mid S	45	45	-	54	-	-
Assen, Groenkampen, Peelo, DR, 1986	100%	Mid S	35	35	-	43	-	-
Assen, Zuidhaege, Zuidhaege, DR, 1997	100%	Mid S	60	-	60	57	-	56
Badhoevedorp, Dellaertlaan, Egelantierstraat E.A. 58-21, NH, 1970	100%	Mid P	71	71	-	91	-	23
Badhoevedorp, Fazantstraat, Fazantstraat 58-602, NH, 1956	100%	Mid P	2	2	-	3	-	-
Badhoevedorp, Keesomstraat, Keesomstraat E.A. 55-42, NH, 1960	100%	Mid P	2	1	1	2	-	-
Bergen op Zoom, Ansjovislaan, De Weer I, NB, 1994	100%	Mid S	22	-	22	24	-	27
Bergen op Zoom, Ansjovislaan, De Weer II, NB, 1994	100%	Mid S	76	-	76	84	-	84
Bergen op Zoom, Ansjovislaan, Laguna, NB, 2008	100%	Mid S	33	-	33	35	-	34
Bergen op Zoom, Ansjovislaan, Villa Murano, NB, 2008	100%	Mid S	17	-	17	18	-	17
Bergen op Zoom, Fort Moermont, Leemberg, NB, 1975	100%	Low S	23	23	-	20	-	-
Bergen op Zoom, Schoudee, Bergse Plaat Duvenee, NB, 1991	100%	Mid S	92	92	-	111	-	-
Berkel-Enschot, Brevierstraat, Koningsoord, ZH, 2019	100%	Mid P	65	65	-	83	-	-
Breda, Argusvliender, Argusvliender, NB, 1999	100%	Low P	64	-	64	42	-	-
Breda, Blauwtjes, Blauwtjes, NB, 1999	100%	Mid P	36	-	36	33	-	41
Breda, Joh. van Polantoren, Stadswachter-Pleinwachter, NB, 2016	100%	Mid P	75	-	75	69	-	75
Breda, Lachappellestraat, Lachappellestraat, NB, 1961	100%	Low P	22	-	22	15	-	10
Breda, Lovensdijkstraat COG, Serviceresidentie Vredenberg, NB, 2001	LH	NVT P	102	-	102	-	17	56
Breda, Lovensdijkstraat, Nieuw Vredenberg, NB, 2011	100%	High P	124	-	124	148	-	130
Breda, Markhoek, Marckhoek, NB, 2014	100%	High P	23	-	23	27	-	25
Breda, Nonneveld, Het Paleis, NB, 2005	100%	High P	47	-	47	63	-	47
Breda, Terheijdenstraat, Drie Hoefijzers, NB, 2010	100%	High P	42	-	42	49	-	46
Bussum, Bijenschans, Byenschans E.A. 55-10, NH, 1962	100%	Low P	6	6	-	6	-	-
Bussum, Brinklaan, Brinklaan 773, NH, 2016	100%	Mid P	54	-	54	49	-	54
Bussum, Cacaostraat, Bendorp, NH, 2019	100%	Mid P	40	-	40	31	-	40
Bussum, Pr. Beatrixplantsoen, Pr. Beatrixplantsoen 55-13, NH, 1938	100%	High P	1	1	-	2	-	-
Capelle a/d IJssel, Doelen, Doelen en Louvre, ZH, 1983	100%	Mid P	72	72	-	71	-	-
Capelle a/d IJssel, Hermitage, Hermitage, ZH, 1983	100%	Mid P	49	49	-	48	-	-
Capelle a/d IJssel, Rigoletto, Louvre/Rigoletto, ZH, 1983	100%	Mid P	43	-	43	33	-	-
Capelle a/d IJssel, Slotplein, Slotplein, ZH, 1997	100%	Mid P	80	-	80	86	-	-
Capelle A/D IJssel, Wijde Wormer, Wijde Wormer 766, ZH, 2009	100%	Mid P	85	-	85	89	-	35
Castricum, Belle van Zuylenlaan, B. Van Zuylenlaan E.A. 58-271, NH, 1988	100%	Mid P	53	53	-	57	-	-
Castricum, H.R. Holststraat, H. Roland Holststr.E.A. 58-311, NH, 1991	100%	Mid P	30	30	-	37	-	-
Castricum, Margaret Krophollerlaan, M.Krophollerlaan 58-466, NH, 2001	100%	Mid P	21	21	-	23	-	-
Castricum, Tolweid, Tolweid 58-118, NH, 1984	100%	Mid P	47	47	-	45	-	-
Culemborg, Loek van Ierselstraat, Parijsch, GD, 2019	100%	Mid S	42	42	-	45	-	-

City, Street, Name, Province, Construction year	LAND	RS	R	U	SF	MF	UA	COG	P
De Meern, Molenpolder, Meiborg, UT, 2003	100%	High	P	28	-	28	43	-	42
De Meern, Molenpolder, Weideborg, UT, 2003	100%	Mid	P	32	-	32	33	2	31
De Meern, Spinsterlaan, Gouvernantelaan E.A. 58-120, UT, 1986	100%	Mid	P	28	28	-	28	-	-
Den Bosch, Antoon der Kinderenlaan, Amazones, NB, 2014	100%	High	P	42	-	42	49	-	59
Den Bosch, Gheert van Calcarplein, Pelssingel 768, NB, 2010	100%	Mid	P	14	-	14	13	-	10
Den Bosch, Goudsbloemvallei, Goudsbloem, NB, 2017	100%	Mid	P	25	-	25	24	-	38
Den Bosch, Harteveldstede, Maaspoort, NB, 1987	100%	Mid	P	48	48	-	45	-	-
Den Bosch, Hofvijver, Jheronimus, NB, 2014	100%	High	P	44	-	44	45	-	48
Den Bosch, Pisastraat, Pisastaete, NB, 1989	100%	Mid	P	57	-	57	46	-	72
Den Haag, Abdijbrink, De Brinken, ZH, 1975	100%	Mid	P	224	224	-	273	-	-
Den Haag, Domburglaan, Westkapellelaan, ZH, 1972	100%	Mid	P	96	-	96	79	-	25
Den Haag, Prins Willem-Alexanderweg, La Fenêtre, ZH, 2005	LH	High	P	44	-	44	56	-	60
Den Haag, Slachthuisstraat, Piazza, ZH, 1998	LH	Mid	P	73	-	73	65	-	58
Den Haag, Van Hogenhoucklaan, Hubertusstaete, ZH, 2010	100%	High	P	3	-	3	4	-	5
Den Haag, Van Montfoortlaan, V. Montfoortlaan 58-87, ZH, 1958	100%	Mid	P	36	-	36	38	-	4
Deventer, Bitterzoet, Colmschate II, OV, 1984	100%	Mid	P	39	39	-	45	-	-
Deventer, Bonte Salie, Colmschate I, OV, 1984	100%	Mid	P	59	59	-	67	-	-
Diemen, Diemerplein, Diemerplein 58-717, NH, 2012	100%	Mid	P	23	-	23	20	-	-
Diemen, Groote Peel, Biesbosch, NH, 1978	100%	High	P	117	117	-	151	-	-
Diemen, Hartschelp, Hartschelp, NH, 1983	100%	Mid	P	62	62	-	66	-	-
Diemen, Ouddiemerlaan, De Diemer, NH, 2017	100%	Mid	P	98	-	98	75	-	98
Diemen, Ouddiemerlaan, Ouddiemerlaan 301, 349, 343 8-99, NH, 2012	100%	High	P	22	-	22	24	-	-
Diemen, Ouddiemerlaan, Ouddiemerlaan App. 58-59, NH, 1969	100%	Mid	P	87	-	87	76	-	-
Diemen, Polderland, Polderland, NH, 1986	100%	Mid	P	169	169	-	183	-	-
Doetinchem, Boekweidreef, De Huet, GD, 1983	100%	Mid	S	47	47	-	52	-	-
Doetinchem, Boerhaavelaan, Boerhaavelaan, GD, 1974	100%	Mid	S	105	105	-	135	-	-
Dordrecht, Atmosfeerstraat, Atmosfeerstraat E.A. 58-130, ZH, 1970	100%	Mid	P	51	51	-	76	-	18
Dordrecht, Cereslaan, Cereslaan E.A. 58-75, ZH, 1970	100%	Mid	P	95	95	-	123	-	22
Dordrecht, Spuiboulevard, Paradium 3, ZH, 1967	100%	Mid	P	62	-	62	53	-	-
Dordrecht, Van Ravesteyn-erf, Groene Oever, ZH, 1997	100%	Mid	P	84	-	84	77	-	-
Driebergen, Park Seminarie, Park Seminarie 58-26, UT, 1987	100%	Mid	S	124	-	124	105	-	-
Duivendrecht, Clarissenhof, Clarissenhof, NH, 1977	100%	Mid	P	101	101	-	101	-	8
Ede, Bergansiuslaan, Kazerneterrein, GD, 2018	100%	Mid	P	37	-	37	36	-	7
Ede, Pomphuislaan, Pomphuislaan 758, GD, 2014	100%	Mid	P	31	31	-	37	-	-
Eindhoven, Cassandraplein, De Ranken, NB, 2008	100%	High	P	30	-	30	35	9	32
Eindhoven, Generaal Marshallweg, Rapenland, NB, 1984	100%	Mid	P	25	25	-	24	-	-
Eindhoven, Generaal Stedmanstraat, Stedman Staete, NB, 1984	100%	Mid	P	54	-	54	39	-	-
Eindhoven, Monseigneur Swinkelsstraat, Kloosterdreef, NB, 2008	100%	Mid	P	36	-	36	40	-	36
Eindhoven, Opwettensemolen, Opwettensemolen I, NB, 1986	100%	Mid	P	178	-	178	133	-	112
Eindhoven, Opwettensemolen, Opwettensemolen II, NB, 1988	100%	Mid	P	18	-	18	15	-	-
Eindhoven, Opwettensemolen, Woenselse Watermolen, NB, 1988	100%	Mid	P	202	202	-	243	-	-
Eindhoven, Picushof, Picushof Appartementen, NB, 2001	100%	Mid	P	36	-	36	33	-	-
Eindhoven, Picushof, Picushof, NB, 2001	100%	Mid	P	22	22	-	27	-	-
Eindhoven, Tesselschadelaan, Granida, NB, 2004	100%	High	P	20	-	20	20	-	34
Eindhoven, Venbergsemolen, Venbergsemolen, NB, 1989	100%	Mid	P	134	-	134	113	-	-
Eindhoven, Vestdijk, Vestedatoren, NB, 2006	100%	High	P	15	-	15	18	9	35

City, Street, Name, Province, Construction year	LAND	RS R	U	SF	MF	UA	COG	P
Emmen, Eidereend, Eendenveld, DR, 1990	100%	Mid S	33	33	-	34	-	-
Enschede, H.J. van Heeklein, Twentec, OV, 2003	100%	Mid P	87	-	87	90	9	-
Enschede, Walkottelanden, Stroinkslanden, OV, 1982	100%	Mid P	29	29	-	31	-	-
Etten Leur, Artezielaan, Markenland E.A. 58-93, NB, 1973	100%	Mid S	90	90	-	114	-	-
Etten Leur, Beiaard, Beiaard E.A. 58-149, NB, 1974	100%	Mid S	88	88	-	97	-	36
Geldrop, Herdersveld, Grote Bos, NB, 1978	100%	Mid P	45	45	-	46	-	-
Gorinchem, A.B. Corneliszstraat, A.B. Corneliszstraat 775, ZH, 2016	100%	Mid S	29	29	-	32	-	-
Gorinchem, Adjudant, Hoog Dalem, ZH, 2019	100%	Mid S	40	40	-	47	-	-
Gouda, Welgelegen, Westergouwe, ZH, 2019	100%	Mid P	71	71	-	82	-	-
Groesbeek, Bachstraat, Bachstraat 58-600, GD, 1976	100%	Mid O	48	48	-	63	-	12
Groningen, Bloemersmaborg, Klein Martijn, GR, 1997	100%	Mid P	28	-	28	29	-	-
Groningen, Eelkemastraat, Kolenpark, GR, 2019	100%	Mid P	139	-	139	94	-	70
Groningen, Reitdiephaven, Reitdiep Haven, GR, 2010	100%	Mid P	47	-	47	45	-	49
Groningen, Steenhouwerskade, Zuiderhavenring I, GR, 1982	100%	Mid P	53	-	53	47	-	92
Groningen, Steenhouwerskade, Zuiderhavenring II, GR, 1983	100%	Mid P	70	-	70	56	-	-
Groningen, Van Drielstlaan, Hoogkerk, GR, 1976	100%	Low P	76	76	-	78	-	11
Groningen, Van Goghstraat, Waterrand, GR, 1994	100%	Mid P	72	-	72	59	-	74
Haarlem, Marsstraat, Marsstraat 55-60, NH, 1937	100%	Low P	2	2	-	3	-	-
Haarlem, Spijkerboorweg, Tango, NH, 2017	100%	Mid P	55	-	55	53	-	55
Harderwyk, Beugpad, Schippersmeen E.A. 58-97, GD, 1974	100%	Mid P	105	105	-	135	-	60
Heemskerck, A. Poelmanstraat, Poelmanstr.-Calcarstr. 58-154, NH, 1987	100%	Mid P	45	45	-	49	-	-
Heemstede, Alberdinck Thijmlaan, A. Thymlaan 55-96, NH, 1938	100%	High P	1	1	-	1	-	-
Heemstede, Floradreef, Prinseneiland, NH, 1990	100%	Mid P	38	38	-	43	-	-
Heerenveen, Barten, Nye Haske, FR, 1987	100%	Mid S	69	69	-	80	-	-
Heerhugowaard, Dampkring, Dampkring 762, NH, 2016	100%	Mid S	48	-	48	48	-	-
Heerhugowaard, Dotterbloem erf, De Draai, NH, 2019	100%	Mid S	31	-	31	37	-	-
Heerlen, Marjoleingaard, Douve Weien Marjoleingaard, LB, 1978	100%	Mid S	38	38	-	41	-	-
Heerlen, Oude Molenweg, Douve Weien Oude Molenweg, LB, 1978	100%	Mid S	79	79	-	81	-	-
Heerlen, Putgraaf, Putgraaf Parkflat, LB, 1982	100%	Low S	93	-	93	71	-	175
Heerlen, Putgraaf, Putgraaf Residentie, LB, 1989	100%	Mid S	67	-	67	60	-	75
Heerlen, Vruschemigerweg, Douve Weien Vruschemigerweg, LB, 1978	100%	Mid S	82	82	-	93	-	-
Helmond, Coxdonk, Mommersdonk 791, NB, 2017	100%	Mid P	35	35	-	39	-	-
Hengelo, Hans Vonkstraat, Hans Vonkstraat 58-551, OV, 2005	100%	Mid S	44	-	44	44	-	46
Hengelo, Jan van Galenstraat, Gerarduspark, OV, 1995	100%	Mid S	44	-	44	35	-	-
Hillegom, Jan Prinsheem, Prinsheem, ZH, 1983	100%	Mid S	64	64	-	67	-	-
Hillegom, L. van Deysellaan, L. van Deysellaan, ZH, 1983	100%	Mid S	36	36	-	38	-	-
Hilversum, J. A. Kalfflaan, J.A.Kalfflaan 55-1, NH, 1930	100%	Low P	1	1	-	1	-	-
Hilversum, Kapittelweg, Kapittelweg 58-51, NH, 1969	100%	Mid P	80	1	79	66	1	82
Hilversum, Loosdrechtse Bos, Zonnestraal Appartementen, NH, 2004	100%	High P	42	-	42	62	-	48
Hoogezand-Sappemeer, P.S. Gerbrandyhof, Drevemborg, GR, 1991	100%	Mid S	25	-	25	21	-	-
Hoorn, Botter, Botter 58-128, NH, 1976	100%	Mid P	64	64	-	65	-	-
Hoorn, Brik, Brik-Sjees 58-136, NH, 1976	100%	Mid P	79	79	-	86	-	-
Hoorn, Leemhorststraat, De Toren, NH, 2019	100%	Mid P	72	-	72	63	-	54
Houten, Bladmos, Bladmos-Puntmos 58-478, UT, 2001	100%	Mid P	48	48	-	51	-	-
Huis ter Heide, Ruysdaellaan, De Horst, UT, 2003	100%	NVT P	51	-	51	-	-	-
Huizen, Wikke, Huizermaat, NH, 1976	100%	Mid P	199	199	-	186	-	29

City, Street, Name, Province, Construction year	LAND	RS R	U	SF	MF	UA	COG	P
IJsselstein, Alexandrietpad, Alexandrietpad E.A. 58-48, LB, 1976	100%	Mid P	90	90	-	127	-	9
IJsselstein, Alexandrietpad, Opaalhof E.A. 58-94, LB, 1976	100%	Mid P	51	51	-	62	-	5
IJsselstein, De Biezen, De Biezen 58-597, LB, 1989	100%	Mid P	14	-	14	11	-	-
Kerkrade, Friets Ploumstraat, Straterweg, LB, 1987	100%	Mid S	27	27	-	28	-	-
Krommenie, Marslaan, Marslaan E.A. 58-127, NH, 1973	100%	Mid P	214	214	-	253	-	-
Kudelstaart, Marconistraat, Proosdij, NH, 1983	100%	Mid P	6	6	-	7	-	-
Laren, Tony Offermansweg, Mauvezand T.Offermansw. 55-5, NH, 1936	100%	Low S	1	1	-	1	-	-
Leeuwarden, Albadastins, Groene Hart, FR, 1986	100%	Mid S	134	134	-	155	-	4
Leeuwarden, De Malus, De Malus, FR, 2007	100%	Mid S	31	-	31	29	-	-
Leeuwarden, Heggewinde, Aldlan Oost, FR, 1977	100%	Mid S	160	160	-	165	-	11
Leeuwarden, Krommezijl, Krommezijl, FR, 2005	100%	Mid S	27	-	27	33	-	27
Leeuwarden, Ubbemastins, Parkflat, FR, 1987	100%	Mid S	62	-	62	54	-	-
Leiden, Betaplein, Alpha, ZH, 2017	100%	Mid P	134	-	134	105	4	-
Leiden, Molenzicht, Molenzicht, ZH, 1979	100%	Mid P	21	-	21	16	-	1
Leiden, Parkzicht, Parkzicht, ZH, 1979	100%	Low P	97	-	97	75	-	-
Leiden, Prins Clausweg, Prins Clausweg 790, ZH, 2017	100%	High P	50	-	50	55	-	63
Leiden, Stadzicht, Stadzicht, ZH, 1979	100%	Mid P	49	-	49	37	-	1
Leiderdorp, Dalkruidzoom, Voorhof, ZH, 1978	100%	Mid P	78	78	-	97	-	-
Leiderdorp, Kamperfoeliezoom, Voorhof App., ZH, 1979	100%	Low P	120	-	120	93	-	9
Leiderdorp, Koolmeesstraat, Vogelwijk, ZH, 1972	100%	Mid P	32	-	32	25	-	6
Leiderdorp, Laan van Berendrecht, Parkprom. Berendrecht, ZH, 2004	100%	High P	72	-	72	102	5	-
Leidschendam, Herberg, 't Lien, ZH, 1985	100%	Mid P	127	127	-	135	-	-
Leidschendam, Neherpark, Neherpark, ZH, 2008	100%	High P	18	-	18	20	-	22
Lelystad, Kogge 3, De Kogge I, FL, 1977	100%	Mid S	39	39	-	43	-	-
Lelystad, Kogge 4, De Kogge II, FL, 1977	100%	Mid S	36	36	-	40	-	-
Lelystad, Tjalk 41, Tjalk, FL, 1981	100%	Low S	77	77	-	81	-	-
Leusden, Hertenhoeve, Hertenhoeve, UT, 1979	100%	Mid P	40	40	-	37	-	14
Leusden, Madelagehof, Nieuw Princenhof, UT, 2016	100%	Mid P	25	25	-	28	-	-
Maarssen, Burg. Dolmanslaan, W. van Leusdenlaan 22-554, UT, 2006	100%	Mid P	28	-	28	30	-	30
Maarssen, de Hoopkade, Hoogevecht, UT, 2010	100%	High P	18	-	18	23	-	33
Maarssen, de Hoopkade, Neerbeek, UT, 2011	100%	High P	5	-	5	6	-	7
Maarssen, Dr. R. van Lutternveltstraat, Nieuw Vechtevoort, UT, 2011	100%	High P	34	-	34	34	-	35
Maarssen, J. Homan van der Heideplein, Cruydenborgh, UT, 2010	100%	High P	10	-	10	11	-	12
Maarssen, Proostwetering, Sluisoord, UT, 2009	100%	High P	23	-	23	28	-	33
Maarssen, Proostwetering, Soetendael (9a), UT, 2012	100%	High P	2	-	2	3	-	2
Maarssen, Proostwetering, Soetendael, UT, 2012	100%	High P	18	-	18	18	-	18
Maastricht, Akerstraat, Porta I, LB, 1993	100%	Mid P	57	-	57	56	-	46
Maastricht, Avenue Ceramique, Cortile I, LB, 1999	100%	High P	37	-	37	39	5	-
Maastricht, Avenue Ceramique, Maison Céramique, LB, 2009	100%	High P	12	-	12	13	10	22
Maastricht, Avenue Ceramique, Toren van Siza, LB, 2001	100%	High P	40	-	40	47	7	-
Maastricht, Avenue Ceramique, Wiebengahal, LB, 2006	LH	NVT P	-	-	-	-	34	-
Maastricht, Bellefroidlunet Parkeren, Stoa, LB, 2002	100%	High P	66	-	66	104	-	87
Maastricht, Boschcour, Piazza Céramique, LB, 2007	100%	High P	54	-	54	68	8	81
Maastricht, Ellecuyngaard, Eyldergaard, LB, 1982	100%	Mid P	18	18	-	21	-	-
Maastricht, Erasmusdomein, Erasmusdomein, LB, 1986	100%	Mid P	81	-	81	64	-	50
Maastricht, Glacisweg, Terminus, LB, 2008	100%	High P	7	-	7	9	4	1

City, Street, Name, Province, Construction year	LAND	RS R	U	SF	MF	UA	COG	P
Maastricht, Heerderweg, Heerderweg, LB, 1985	100%	Mid P	202	-	202	145	-	108
Maastricht, Mosalunet, Cortile II, LB, 2002	100%	Mid P	54	-	54	56	-	-
Maastricht, Mosalunet, Cortile III, LB, 2002	100%	High P	66	-	66	70	-	-
Maastricht, Plein 1992, La Residence, LB, 2000	100%	High P	28	-	28	31	-	-
Maastricht, Prins Bisschopsingel, Poort Waerchtig, LB, 2007	100%	High P	25	-	25	37	-	37
Maastricht, Sphinxlunet parkeren, Cortile Parking, LB, 1999	100%	NVT P	-	-	-	-	-	189
Maastricht, Sphinxlunet, Porta II, LB, 1993	100%	Mid P	32	-	32	25	-	19
Middelburg, Fazantenhof, Fazantenhof 769, ZE, 2007	100%	Mid S	19	-	19	19	-	-
Middelburg, Touwbaan, Maisbaai, ZE, 1990	100%	Mid S	33	-	33	34	-	24
Naarden, Graaf Janlaan, Gr.Janlaan E.A. 55-14, NH, 1937	100%	Mid P	1	1	-	1	-	-
Naarden, H. van Eijkenstraat, H.V.Eykenstr.-Vaartweg 55-22, NH, 1935	100%	Low P	3	3	-	3	-	-
Nieuwegein, Hermesburg, Batau Noordrand, UT, 1988	100%	Mid P	56	56	-	57	-	-
Nieuwerkerk a/d IJssel, Krulmos, Zuidplaspolder, ZH, 1979	100%	Mid P	26	26	-	28	-	-
Nieuw-Vennep, Haendelplein, Getsewoud, NH, 2002	100%	Mid P	76	-	76	56	-	-
Nieuw-Vennep, Warande, Warande, NH, 1969	100%	Mid P	26	26	-	30	-	10
Nijmegen, Gabriel Garcia Marquezstraat, G. Lorcastraat 789, GD, 2017	100%	Mid P	32	32	-	38	-	-
Nijmegen, Lankforst, Lankforst, GD, 1970	100%	Mid P	45	45	-	59	-	8
Nijmegen, Rode kruislaan, Park Heyendaal, GD, 1996	100%	Mid P	63	-	63	65	-	-
Nijmegen, Stieltjesstraat, Kronenburger, GD, 1991	100%	Mid P	122	-	122	117	4	131
Nijmegen, Weezenhof, Weezenhof I, GD, 1972	100%	Mid P	67	67	-	88	-	17
Nijmegen, Weezenhof, Weezenhof II, GD, 1972	100%	Mid P	43	43	-	48	-	11
Noordwijk, Noordhoren, Fuikhoren, ZH, 1985	100%	Mid P	67	67	-	75	-	-
Noordwijk, Schaalhoren, Schaalhoren, ZH, 1983	100%	Mid P	65	65	-	67	-	-
Nuenen, Schietbergen, Witte Put E.A. 58-83, NB, 1986	100%	Mid S	71	71	-	90	-	-
Odijk, Esdoorn, Dalenoord, UT, 1989	100%	Mid S	15	15	-	14	-	-
Odijk, Koekoeksbloem, Dalenoord Appartementen, UT, 1989	100%	Mid S	16	-	16	12	-	-
Oegstgeest, Eli Heimanshof, Eli Heimanshof 58-465, ZH, 1999	100%	Mid P	7	7	-	7	-	-
Oosterhout, Loevensteinlaan, Onder de Linden, NB, 2019	100%	Mid P	39	39	-	48	-	8
Oosterhout, Schubertlaan, Oosterheide I, NB, 1969	100%	Mid P	16	16	-	20	-	6
Oosterhout, Wagenaarstraat, Oosterheide II, NB, 1972	100%	Mid P	12	12	-	16	-	4
Papendrecht, Pontonniersweg, Buitenwaard, ZH, 1991	100%	Mid P	62	-	62	70	-	14
Pijnacker, Boomkruiperzoom, Keijzersveste, ZH, 2018	100%	High P	39	39	-	51	-	-
Purmerend, Boekweitstraat, De Purmer, NH, 1983	LH	Mid P	70	70	-	63	-	-
Purmerend, De Oeverlanden, De Ooievaar, NH, 2008	100%	Mid P	30	-	30	29	-	30
Purmerend, Vesta, Apollo, NH, 2017	100%	Mid P	84	-	84	74	-	82
Renkum, Graaf van Rechterenweg, Rechterenborg, GD, 1993	100%	Mid S	62	-	62	57	-	38
Rhenen, De Hollentoren, De Hollentoren 58-254, UT, 1988	100%	Mid S	20	20	-	23	-	-
Rhenen, De Thijmenstoren, Thymenstoren-Reumersweg 58-284, UT, 1988	100%	Mid S	16	16	-	18	-	-
Rhoon, Baljuw, Baljuw, ZH, 1982	100%	Mid S	67	67	-	71	-	-
Rijswijk, Hilvoordestraat, Over De Bogaard, ZH, 1979	LH	Low P	122	-	122	63	-	-
Rijswijk, S.W. Churchillaan, Churchillaan, ZH, 1969	100%	Mid P	215	-	215	229	-	19
Roosendaal, Damastberg, Dilleberg-Damastberg 58-253, NB, 1988	100%	Mid S	58	58	-	68	-	-
Rosmalen, De Eendrachtswerf, De Eendrachtswerf 58-545, NB, 2005	100%	Mid P	26	26	-	36	-	-
Rosmalen, Deken Fritsentraat 40, De Annenborch, NB, 2018	100%	Mid P	43	43	-	56	-	-
Rosmalen, Lunersingel, De Lanen, NB, 2019	100%	Mid P	39	39	-	52	-	-
Rosmalen, Majeurhof, Majeurhof 58-709, NB, 2010	100%	Mid P	24	24	-	28	-	-

City, Street, Name, Province, Construction year	LAND	RS R	U	SF	MF	UA	COG	P
Rosmalen, Octaafstraat, Cadansstraat 58-754, NB, 2014	100%	Mid P	20	10	10	25	-	-
Rosmalen, Vlinderlaan, Vlinderlaan 58-567, NB, 2006	100%	Mid P	36	36	-	44	-	-
Rotterdam, Admiraal de Ruyterweg, Linker Rottekade, ZH, 1985	LH	Low P	246	-	246	149	3	159
Rotterdam, Bataviakade, Voc Plein App 58-703, ZH, 2008	100%	Mid P	26	-	26	26	-	-
Rotterdam, Bottelroos, Heydnahof, ZH, 1983	LH	Mid P	161	161	-	175	-	-
Rotterdam, Buitenbassinweg, Buitenbassinweg, ZH, 1991	LH	Mid P	68	-	68	57	-	-
Rotterdam, Clazina Kouwenbergzoom, Loreleiflat, ZH, 1992	LH	Mid P	53	-	53	46	-	-
Rotterdam, Clazina Kouwenbergzoom, Ringvaartplasbuurt I, ZH, 1990	LH	Mid P	53	53	-	57	-	-
Rotterdam, Cromme Meth, Cromme Meth, ZH, 1988	LH	Mid P	13	13	-	13	-	-
Rotterdam, De Monchyplein, Boston, ZH, 2017	100%	High P	48	-	48	43	-	48
Rotterdam, Den Uylsingel, Dosiatoren, ZH, 1989	LH	Mid P	56	-	56	44	-	-
Rotterdam, Dirkje Goedhartstraat, Ringvaartplasbuurt II, ZH, 1991	LH	Mid P	42	42	-	47	-	-
Rotterdam, Gedempte Zalmhaven, De Hoge Heren I, ZH, 2001	LH	High P	140	-	140	164	5	330
Rotterdam, Gedempte Zalmhaven, De Hoge Heren II, ZH, 2001	LH	High P	37	-	37	44	-	-
Rotterdam, Henk Sneevlietstraat, Sneevlietstraat, ZH, 1984	LH	Mid P	52	52	-	50	-	-
Rotterdam, Ien Daleshof, Parktoren Prinsenland, ZH, 2009	100%	High P	47	-	47	52	3	66
Rotterdam, Joost van Ospad, Zevenkamp, ZH, 1988	LH	Mid P	49	49	-	53	-	-
Rotterdam, Kruiptrem, Brembuurt, ZH, 1973	100%	Mid P	105	105	-	136	-	21
Rotterdam, Landverhuizersplein, Montevideo, ZH, 2005	LH	High P	38	-	38	47	-	38
Rotterdam, Maashavenkade, Parkkwartier Katendrecht, ZH, 2010	100%	Mid P	27	-	27	25	-	28
Rotterdam, Oostmolenwerf, Oostmolenwerf, ZH, 1994	LH	Mid P	86	-	86	77	3	69
Rotterdam, Oostmolenwerf, Oude Haven, ZH, 1991	LH	Mid P	89	-	89	79	6	40
Rotterdam, Strevelsweg, Poort Van Zuid, ZH, 1994	LH	Mid P	70	-	70	62	-	66
Rotterdam, van der Hoevenplein, New Orleans, ZH, 2010	100%	High P	171	-	171	176	51	205
Rotterdam, Verlengde Nieuwstraat, Markthal, ZH, 2014	100%	High P	102	-	102	111	-	102
Rotterdam, VOC Plein, Voc Plein Egv 58-707, ZH, 2008	100%	Mid P	13	13	-	13	-	-
Rotterdam, Watertorenweg, Watertorenweg, ZH, 1990	LH	Mid P	77	-	77	65	-	-
Rotterdam, Zalmstraat, Willemstoren, ZH, 2019	100%	Mid P	76	-	76	57	-	43
Santpoort Zuid, Van Dalenlaan, V.Dalenln.-Zinneveltn. 58-19, NH, 1935	100%	Low P	2	2	-	2	-	-
Sassenheim, Berline, Berline en Landauer, ZH, 1985	100%	Mid P	37	37	-	39	-	-
Sassenheim, Caleche, Brik, ZH, 1986	100%	Mid P	61	61	-	64	-	-
Schagen, Fazantenhof, Fazantenhof, NH, 1973	100%	Mid S	58	58	-	75	-	-
Schiedam, Slot Haamstedepad, Woudhoek, ZH, 1984	LH	Mid P	184	184	-	195	-	-
Sittard, Blijdestein, Blijdestein, LB, 1987	100%	Mid S	50	-	50	36	-	12
Sittard, Felix Ruttenlaan, Kollenbergerhof Appartementen, LB, 1987	100%	Low S	52	-	52	38	-	78
Sittard, Kollenberg, Kollenbergerhof, LB, 1988	100%	Mid S	15	15	-	17	-	-
Soesterberg, Farman, Farman E.A. 58-121, UT, 1975	100%	Mid P	63	63	-	73	-	-
Stiens, St. Vitusplein, Sint Vitusplein, FR, 1999	100%	Low S	17	-	17	12	-	-
Teteringen, Burgemeester Verdaasdonkstraat, Bouverijen, NB, 2017	100%	Mid P	36	36	-	42	-	-
Tilburg, Anna Paulownahof, Koningsplein, NB, 1989	100%	Low P	179	-	179	127	-	53
Tilburg, Buxusplaats, HollandCarré, NB, 2007	100%	Mid P	100	-	100	113	-	107
Tilburg, Dinxperloaan, Drechterlandstraat E.A. 58-268, NB, 1980	100%	Mid P	32	32	-	34	-	-
Tilburg, Haaksbergenstraat, Reeshof, NB, 1990	100%	Mid P	56	56	-	73	-	-
Tilburg, Marathonpromenade, Willemsbuiten, NB, 2019	100%	Mid P	20	20	-	24	-	-
Tilburg, Schoolstraat, Schoolstraat, NB, 1989	100%	Mid P	174	-	174	140	-	45
Tilburg, Van Anrooylaan, Van Anrooylaan E.A. 58-226, NB, 1972	100%	Mid P	177	177	-	241	-	84

City, Street, Name, Province, Construction year	LAND	RS R	U	SF	MF	UA	COG	P
Uithoorn, Aan de Kant, Aan De Kant E.A. 58-79, NH, 1973	100%	Mid P	172	172	-	228	-	13
Uithoorn, Zegge, Zegge 58-124, NH, 1975	100%	Mid P	52	52	-	75	-	-
Uithoorn, Zijdelwaardplein, Zijdelwaardplein App. 58-153, NH, 1987	100%	Mid P	14	-	14	11	1	-
Utrecht, Auriollaan, De Auriol, UT, 2017	LH	Mid P	51	-	51	42	-	55
Utrecht, Brusselplein, De Fabiola 4, UT, 2017	LH	Mid P	21	-	21	14	-	2
Utrecht, Brusselplein, De Letna 3, UT, 2017	LH	Mid P	17	-	17	11	-	-
Utrecht, Centruboulevard, De Rossfeld, UT, 2019	100%	Mid P	65	-	65	58	-	-
Utrecht, Churchillaan, De Churchill, UT, 2017	LH	Mid P	66	-	66	53	-	51
Utrecht, Churchillaan, De Marshall, UT, 2017	LH	Mid P	52	-	52	42	-	53
Utrecht, Edmond Audranstraat, Edmond Audranstraat 58-761, UT, 2012	100%	High P	33	33	-	45	-	-
Utrecht, Grauwaartsingel, De Richmond, UT, 2017	LH	Mid P	75	-	75	72	-	75
Utrecht, Hof van Bern, De Belvedere 2, UT, 2019	100%	Mid P	16	-	16	17	-	16
Utrecht, Luxemburgpromenade, De Belvedere 3, UT, 2019	100%	Mid P	32	-	32	27	-	32
Utrecht, Luxemburgpromenade, De Fabiola 3, UT, 2017	LH	Mid P	22	-	22	19	-	22
Utrecht, Parijsboulevard, De Belvedere 4, UT, 2019	100%	Mid P	27	-	27	25	-	27
Utrecht, Parijsboulevard, De Boulogne, UT, 2019	100%	Mid P	45	-	45	44	-	45
Utrecht, Parijsboulevard, De Fabiola 2, UT, 2017	LH	Mid P	24	-	24	21	-	24
Utrecht, Prof. Magnuslaan, Dr.J.P.Thysselaan E.A. 58-95, UT, 1937	100%	High P	87	87	-	76	-	2
Utrecht, Rooseveltlaan, De Roosevelt, UT, 2017	LH	Mid P	66	-	66	53	-	53
Utrecht, Vaduzdijk, De Victoria 2, UT, 2017	LH	Mid P	24	-	24	20	-	24
Utrecht, Vaduzdijk, De Victoria 4, UT, 2017	LH	High P	15	-	15	14	-	15
Utrecht, Wenenpromenade, De Boulogne 2, UT, 2019	100%	Mid P	24	-	24	16	-	24
Utrecht, Wenenpromenade, De Victoria 3, UT, 2017	LH	Mid P	33	-	33	27	-	33
Utrecht, Willemstraat, Waterstraat-Willemstr. 58-316, UT, 1991	100%	Mid P	15	-	15	9	1	-
Vaals, Sijwats Jris, Bloemendal, LB, 1997	100%	Mid O	17	-	17	16	-	14
Valkenburg a/d Geul, Cauberg, Caubergklooster, LB, 2007	100%	NVT O	39	-	39	-	-	-
Valkenburg a/d Geul, De Valk, De Valk/Spoorlaan, LB, 1994	100%	Mid O	15	-	15	14	-	11
Veenendaal, Uiverstraat, De Pionier, UT, 2018	100%	Mid P	23	-	23	18	-	-
Veenendaal, Willem Barentszstraat 58-547, UT, 2005	100%	Mid P	26	-	26	22	-	26
Velsen, Maan Bastion, Maanbastion, NH, 1990	100%	Mid P	74	-	74	53	-	26
Velsen, Ster Bastion, Sterbastion, NH, 2001	100%	Mid P	67	-	67	63	-	-
Venlo, Bertha Soreestraat, Groeneveld, LB, 1993	100%	Mid S	21	21	-	25	-	-
Venlo, Gebroeders Daelstraat, Vijverzicht, LB, 1991	100%	Mid S	10	10	-	11	-	-
Venlo, Harry Meijerstraat, Vijverzicht Appartementen, LB, 1991	100%	Mid S	60	-	60	55	-	-
Venlo, Morion, Morion, LB, 2000	100%	Mid S	16	16	-	19	-	-
Vianen, Benedictushof, Benedictushof E.A. 58-348, UT, 1983	100%	Mid S	46	46	-	44	-	-
Vleuten, Mesdaglaan, J.Vermeererf E.A. 58-255, UT, 1988	100%	Mid P	40	40	-	46	-	-
Vleuten, Prof. Titus Brandsmalaan, Secr.Versteeglaan, UT, 1969	100%	Mid P	123	123	-	147	-	6
Vleuten, Vincent van Goghlaan, Mondriaanerf E.A. 58-152, UT, 1987	100%	Mid P	36	36	-	40	-	-
Vogelenzang, Gr. Willemln, Margarethahof-Willemln. 58-233, NH, 1987	100%	Mid P	47	47	-	53	-	-
Voorburg, Appelgaarde, Appelgaarde, ZH, 1976	100%	Mid P	46	46	-	52	-	-
Voorburg, Distelweide, Distelweide, ZH, 1974	100%	High P	40	40	-	45	-	14
Voorburg, Kersengarde, Kersengarde, ZH, 1976	100%	High P	118	118	-	141	-	-
Voorhout, Bloemenschans, Bloemenschans, ZH, 1985	100%	Mid P	41	41	-	39	-	-
Voorhout, Hooghkamer, Hooghkamer, ZH, 2018	100%	Mid P	65	65	-	73	-	-
Voorhout, Mozartlaan, Mozartlaan 58-552, ZH, 2005	100%	High P	23	6	17	30	-	-

City, Street, Name, Province, Construction year	LAND	RS	R	U	SF	MF	UA	COG	P
Voorschoten, Annie M.G. Schmidlaan, App 58-688, ZH, 2009	100%	High	P	36	5	31	44	-	45
Voorschoten, Jan Evertsenlaan, EvertsenIn.-Planciuspl. 58-105, ZH, 1976	100%	Mid	P	40	-	40	34	-	6
Voorschoten, Tonke Dragtsingel, Hugo Clausstraat 58-696, ZH, 2009	100%	High	P	46	46	-	67	-	-
Waalwijk, Grotestraat, Grotestraat 335, 339 1-14, NB, 1939	100%	Low	P	2	2	-	3	-	-
Wageningen, Elstar, Park Haagsteeg, GD, 2010	100%	High	P	28	-	28	35	-	28
Wageningen, Morfelden-Walldorfplein, Nobelpark, GD, 2011	100%	Mid	P	28	-	28	30	-	28
Wassenaar, Van Polanenpark, van Polanenpark, ZH, 1972	100%	High	P	40	40	-	56	-	8
Wassenaar, Van Warmondlaan, Zijlwatering, ZH, 1992	100%	High	P	32	32	-	43	-	-
Weert, Ceres, Ceres, LB, 2009	100%	Mid	S	40	-	40	41	-	40
Weesp, Anna Horstinkstraat, Anna Horstinkstraat 58-708, NH, 2010	100%	High	P	17	-	17	20	-	-
Wijchen, Abersland, Abersland I, GD, 1987	100%	Mid	S	28	28	-	28	-	-
Wijchen, Abersland, Abersland II, GD, 1988	100%	Mid	S	17	17	-	16	-	-
Woerden, Hoge Rijndijk, Heeren van Woerden, UT, 2010	100%	Mid	P	46	-	46	37	-	69
Woerden, Jan van Beierenlaan, Hollands M, UT, 2018	100%	Mid	P	64	-	64	55	-	-
Zaandam, Boeierlaan, Boeierlaan E.A. 58-70, NH, 1972	100%	Mid	P	164	164	-	244	-	33
Zeist, De Brink, Brink E.A. 58-76, UT, 1985	100%	Mid	P	98	98	-	116	-	-
Zeist, P.C. Hooftlaan, Hooftlaan-Sproncklaan 58-3, UT, 1938	100%	Mid	P	2	2	-	3	-	-
Zeist, Slotlaan, Slotlaan 28-48 App. 35-528, UT, 1956	100%	Low	P	49	-	49	36	-	22
Zeist, Slotlaan, Slotlaan 50-60 App. 35-529, UT, 1995	100%	High	P	4	-	4	7	-	-
Zoetermeer, Bordeauxstraat, Frankrijklaan, ZH, 1987	100%	Mid	P	41	41	-	42	-	-
Zoetermeer, Debussyrode, Beethovenrode E.A. 58-115, ZH, 1972	100%	Mid	P	40	40	-	46	-	-
Zoetermeer, Elia Kazanstrook, De Stroken I, ZH, 1979	100%	Mid	P	244	244	-	284	-	-
Zoetermeer, Marsmanhove, De Hoven, ZH, 1979	100%	Mid	P	68	21	47	60	-	-
Zoetermeer, Oliver Hardystrook, De Stroken II, ZH, 1980	100%	Mid	P	94	94	-	110	-	-
Zoetermeer, Reimsstraat, Reimsstraat, ZH, 1987	100%	Mid	P	108	-	108	82	-	108
Zoetermeer, Stan Laurelstrook, De Stroken Appartementen, ZH, 1979	100%	Mid	P	48	-	48	44	2	9
Zoetermeer, Zijlberg, Meerzicht, ZH, 1975	100%	Mid	P	29	29	-	35	-	62
Zutphen, Noorderhavenstraat, Noorderhaven EGW, GD, 2019	100%	Mid	P	7	7	-	9	-	-
Zutphen, Noorderhavenstraat, Noorderhaven MGW, GD, 2019	100%	Mid	S	119	-	119	100	4	81
Zutphen, Verdijkstraat, Ravel, GD, 2007	100%	High	S	34	-	34	43	-	34
Zwolle, Kromme Rijn, AA landen I, OV, 1969	100%	Mid	P	126	126	-	153	-	74
Zwolle, Noordzeelaan, Les Pavillions, OV, 2018	100%	Mid	P	89	-	89	52	-	-
Zwolle, Provincieroute, Oldenelerlanden, OV, 1989	100%	Mid	P	67	67	-	78	-	-
Zwolle, Van bosseware, Ittersumerlanden I, OV, 1984	100%	Mid	P	106	106	-	126	-	-
Zwolle, Van Zuylenware, Ittersumerlanden II, OV, 1987	100%	Mid	P	39	39	-	44	-	5
Zwolle, Zaan, AA landen II, OV, 1969	100%	Mid	P	39	39	-	48	-	25
Total				27,482	12,311	15,171	27,797	460	9,871

Annex 6: External appraisers

Appraisal process for investment properties

The purpose of the appraisal is to gain an accurate and independent valuation of the assets at the end of each quarter. The valuation of the properties in the investment portfolio complies with the relevant legislation and regulations (AIFMD, IFRS and Dutch legislation and regulations).

The appraisal is conducted in accordance with the guidelines and regulations of the Dutch Register of Real Estate Appraisers (NRVT), the prevailing valuation guidelines and valuation models as laid down by the Dutch property index, IPD, and the RICS Appraisal and Valuation Standards, the Red Book (including the International Valuation Standards, IVS) or the Blue Book (including the European Valuation Standards, EVS). The valuations of the properties are conducted using the Reaturn TM valuation system.

The valuation policy for Vesteda's properties complies with the INREV guidelines for property valuations.

In 2020, the valuations of the properties in the investment portfolio were conducted by the following agencies:

- Capital Value
- JLL
- Savills
- Dynamis
- MVGM
- Colliers
- CBRE

Valuations are conducted by qualified appraisers from these agencies; the appraisers are registered in the NRVT, which guarantees the initial qualification of the appraiser and his/her continuous training, and preferably also in RICS. In order to guarantee their independence and objectivity, every appraisal agency is contracted for a maximum period of four years (two in-growth quarters – three base years – two out-flow quarters). The contract is for one year and will be tacitly renewed every year.

The current valuation cycle for appraisers is structured as follows:

Two quarters : appraiser A : out-flow quarters and appraiser B : in-growth quarters (slow build up to full valuation)
 Four quarters : appraiser B : full valuation and three quarterly updates
 Four quarters : appraiser B : reappraisal and three quarterly updates
 Four quarters : appraiser B : reappraisal and three quarterly updates
 Two quarters : appraiser B : out-flow quarters and appraiser C : in-growth quarters (slow build up to full valuation)

Each appraisal agency has its own independent part of the portfolio. Once a property has been valued by the same appraisal agency for three years, it is assigned to a different appraisal agency, to guarantee the objectivity of the appraisal. The appraisers value the properties that Vesteda assigns them once every three years, based on a full valuation. For this valuation, the appraiser visits the property in question and incorporates, substantiates and records all the factors relevant to the value of the property in the appraisal. In the remaining two years and quarters, the valuation is an update or a reappraisal of the previously conducted (full) appraisal. For this update or reappraisal, the appraiser does not need to visit the property and will update data and references and adjust the value on the basis of market developments relevant to the property.

The current valuation cycle for the complex is structured as follows:

Four quarters : full valuation and three quarterly updates
 Four quarters : reappraisal and three quarterly updates
 Four quarters : reappraisal and three quarterly updates

Annex 7: Definitions

	Definition
AFM	Autoriteit Financiële Markten (Financial Markets Authority).
AIFMD	Alternative Investment Fund Managers Directive.
Business Plan	A strategy document that contains the 5 year strategy of Vesteda.
Core fund	Core fund according to the INREV Style Classification.
CPI	Consumer Price Index.
CSSR	Corporate Sustainability and Social Responsibility.
Development portfolio (or Investment property under construction)	Comprises of land and buildings (principally residential properties) under construction with the aim of adding said property to the investment portfolio upon completion.
Dividend yield/distribution to investors (%)	Annual distribution per participation right in year t-1, paid in year t, divided by the opening equity per participation in year t.
DNB	De Nederlandsche Bank (Dutch Central Bank).
GDPR	The General Data Protection Regulation is a regulation in EU law on data protection and privacy in the European Union (EU) and the European Economic Area (EEA). It also addresses the transfer of personal data outside the EU and EEA areas.
EBITDA	Consolidated earnings before deduction interest charges, tax, depreciation and amortization, excluding result on property sales, and extraordinary items.
EMTN	Euro Medium Term Note Programme, a programme providing debt instruments.
ESG	The three central factors in measuring sustainability: Environmental, Social and Governance.
FGR	Fonds voor gemene rekening (a fund for the joint account of the participants under Dutch law, see section legal structure).
Financial liabilities	Interest bearing debt minus capitalized financing costs.
FSA	Dutch Financial Supervision Act.
GAV	Gross Asset Value (GAV) is the value of total assets (balance sheet).
GRESB	The Global Real Estate Sustainability Benchmark (GRESB) is an industry-driven organisation committed to assessing the sustainability performance of real estate portfolios (public, private and direct) around the globe. The dynamic benchmark is used by institutional investors to engage with their investments with the aim to improve the sustainability performance of their investment portfolio, and the global property sector at large.
GRI	Global Reporting Initiative (GRI) is an international independent organisation that helps businesses, governments and other organisations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others.
Gross initial yield	Theoretical rent (on a given reference date) from a residential complex divided by the total investment in that residential complex.
Gross rental income	Theoretical rent less loss of rent.
Gross/net ratio	The percentage of property operating expenses relative to gross rental income.
High rental segment	Sector of the residential property market for rental properties with a net monthly rent of over approximately €1,200, excluding service charges.
HPO	High Performing Organisation.
Interest cover ratio	EBITDA/net interest expenses.
INREV	INREV is the European Association for Investors in Non-Listed Real Estate Vehicles. They are Europe's leading platform for the sharing of knowledge on the non-listed real estate industry. Their goal is to improve transparency, professionalism and best practices across the sector, making the asset class more accessible and attractive to investors.
Investment portfolio	All fully-completed and for rent available properties owned by Vesteda.
Investor (or Participant)	Holder of a direct interest in Vesteda Residential Fund.
ISAE 3402	International Standards on Assurance Engagements (ISAE) 3402.
IVBN	Vereniging van Institutionele Beleggers in Vastgoed (Association of institutional property investors in the Netherlands).

	Definition
KPI	Key Performance Indicator. A specific target used to translate strategy in to measurable results.
Leverage	Debt capital/total assets (excluding IFRS 16).
Like-for-like rent increase	Comparison of this year's rent to last year's rent, taking into consideration only those complexes that were in portfolio during both time periods.
Loss of rent	Net financial vacancy plus incentives.
LTV (loan-to-value)	Net debt/investment portfolio.
Management expenses	Any expenses that cannot be allocated directly to the various properties are regarded as management expenses.
Market rent	Rent of a property according to the market at a certain time.
Market value	Value of a property according to the market at a certain time.
Mid rental segment	Sector of the residential property market for rental properties with a net monthly rent from the regulated level to approximately €1,200, excluding service costs.
MSCI IPD Netherlands Residential Benchmark	Benchmark to determine the performance of the portfolio in comparison to other Dutch real estate portfolio's.
NAV	Value of total assets minus the value total liabilities.
Net debt	Total interest bearing debt minus cash and cash equivalents.
Net financial vacancy	Gross financial vacancy less vacancy charged to results on property sales.
Net rental income	Gross rental income minus property operating expenses and other income.
Non-regulated sector or liberalised segment	Residential properties with rents above the regulation limit (€737.14 in 2020). These properties are in the mid and higher rental sectors.
NR Committee	Nomination and Remuneration Committee.
Occupancy rate	The number of residential properties actually generating rental income as a percentage of the number of properties that could generate rental income.
Other region	Regions that are not primary or secondary.
Participant (or Investor)	Holder of a direct interest in Vesteda Residential Fund.
Primary region	Primary regions are regions that offer the highest market potential for the non-regulated rental sector. These regions are characterised by a high market potential and low market risks.
Property operating expenses	All expenses that can be directly allocated to the various properties in the investment portfolio.
REER	Real Estate Expense Ratio: Total property operating expenses divided by average GAV expressed in basis points.
Regulated mid rental segment	See mid rental segment. In addition, the contract may include additional conditions, such as a maximum initial rental price, a minimum operating period and a maximum annual rental price indexation.
Regulated rental segment	Residential properties with rents below the deregulation limit (€737.14 in 2020).
Return on equity (ROE)	Return on equity (ROE) is the amount of total comprehensive income divided by opening equity.
Reversionary potential	The difference between market and theoretical rent divided by theoretical rent.
Revolving Facilities Agreement (RFA)	Revolving credit facility for medium term debt.
Secondary region	Secondary regions have a lower score than primary regions but have a positive economic and demographic outlook.
Standing portfolio	All existing properties within the portfolio.
Sustainable Development Goals (SDGs)	Set of goals set up by the World Business Council for Sustainable Development (WBCSD). These goals serve as guidance for enterprises to conduct business in a more sustainable way.
Systematic Compliance Risk Analysis (SCRA)	Analysis Performed by Vesteda's compliance department in order to identify risks within the compliance framework.
TER (NAV/GAV)	Total Expense Ratio: Total management expenses divided by average NAV or average GAV expressed in basis points.

Definition

Theoretical rent	Passing rent for rented units and market rent for vacant units.
Vesteda Finance B.V.	See Legal structure section of this report.
Vesteda Investment Management B.V.	See Legal structure section of this report.
Vesteda Project Development B.V.	See Legal structure section of this report.
Vesteda Residential Fund	The Vesteda mutual fund, see Legal structure section of this report.

Contact

Please contact us at investorrelations@vesteda.com if you have any questions or comments concerning this Annual Report.

Investor Relations / Corporate Communications

Ronald Beemsterboer
r.beemsterboer@vesteda.com
+31 (0)88 456 2922
www.vesteda.com

Postal address

Vesteda Investment Management B.V.
De Boelelaan 759
1082 RS Amsterdam

PO Box 75675
1070 AR Amsterdam

+31 (0)88 456 1656

For more information about Vesteda go to www.vesteda.com.

